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Austria	Sh.15	Luxembourg	Fr.35
Belgium	Fr.35	Malaysia	Rs.35
Canada	CS\$2.50	Netherlands	Fl.2.25
Denmark	Fr.7.55	Norway	Kr.5
Finland	Fr.10.50	Portugal	Esc.60
France	Fr.10.50	Singapore	S\$3.80
Germany	DM.2	Switzerland	Fr.2.50
Greece	Dr.50	Sweden	Kr.2
Indonesia	Rp.1500	Switzerland	Fr.2
Italy	L.1100	Turkey	L.130
Japan	Y.250	U.S.A.	\$1.50

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER



Taking a common sense view of interest rates, Page 17

No. 29,038

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NEWS SUMMARY

GENERAL

Thatcher delays election decision

British Prime Minister Margaret Thatcher admitted that the weakness of sterling might affect the timing of the general election. She said in a radio interview that the question of making a decision would not arise until May 3, four years after the last election. She thought that the dollar would weaken "in due course," but "we would have to live through the interim." Mrs Thatcher strongly criticised strikers at the Ford Halewood and El Cowley motor plants. Page 7

Hawke calls a halt

Australia's new Labor Premier Bob Hawke has ordered a halt to work on the controversial \$833m (S455m) Gordon River hydro scheme which brought major environmental protests. The Tasmanian state government says the decision is unconstitutional. Page 4

Palestinian Protest

The 12m Palestinians in the occupied West Bank and Gaza Strip and the 600,000 Israeli Arabs staged protest meetings and strikes and threw grenades and stones at the military on the seventh anniversary of Israeli occupation of their lands. Page 4

Nkomo plans return

Zimbabwe Opposition leader Joshua Nkomo said in London he would return in the next few weeks. He said he had been planning to leave next Wednesday, but the Zimbabwe Catholic bishops' statement on Matabeland atrocities and the Matabele Government's denial had brought a new dimension. Page 4

S Africa referendum

South Africa's Premier P. W. Botha said there would be a referendum among whites on the proposals for a new constitution, which calls for a three-chamber system, with a French-style executive president.

French export

French officials said a shipment of highly toxic dioxin waste from a Seveso, Italy, chemical plant leak in 1976, has been transferred to a neighbouring country. Plant owners Hoffmann-La Roche said the waste was not in Italy or Switzerland.

Hungarian raids

Hungarian police raided five Budapest flats, one a newly opened centre for dissident publishing, and seized literature.

South Korean pledge

South Korean police pledged an end to torture in criminal investigations after the death of a businessman in detention.

Slow Soviet post

The Soviet postal system is less efficient than 100 years ago, said the *Literaturnaya Gazzeta* newspaper. Leningrad-Moscow letters could be delayed a week and a letter from Siberia took seven days.

Briefly...

Kampala: Former Uganda police commander was jailed for wrongfully imprisoning a businessman and stealing his car.

Singapore: Skyline strike aircraft collided with an Australian Mirage fighter. Both pilots ejected safely. In Manila, Japanese matayomoy twin Isokawas died after crashing in a pasture for the French ground crew.

The Financial Times will not be published tomorrow or on Monday. The Saturday edition will be published, as normal, from London. Page 22

BUSINESS

American General in \$1bn takeover

NEW OFFER MENTIONS NO SPECIFIC FIGURES

Reagan says allies back his plan for interim arms deal

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

President Ronald Reagan yesterday claimed the total backing of the U.S.'s European allies for a new offer to the Soviet Union in the Geneva negotiations on intermediate range nuclear missiles in Europe, unveiled in a blaze of publicity at the White House.

Mr Reagan confirmed that the U.S. had proposed an interim agreement under which the numbers of warheads on both sides would be equally balanced at levels significantly below the 572 that the U.S. is planning to deploy on cruise and Pershing 2 missiles, starting from the end of the year.

Mr Reagan said that if an interim agreement was reached, the negotiations should continue with the aim of achieving a total ban on all intermediate-range weapons, the so-called "zero option," which he first proposed in November 1981, in response to European requests.

While the U.S. is still sticking to the zero option as an ultimate objective, officials said that talks on an interim agreement could start with pre-conditions.

Moscow has adamantly rejected the zero option, which would require it to dismantle the roughly 1,300 warheads it has now deployed.

Officials said that even with reduced levels, the U.S. still planned to deploy the weapons on time in all five countries that have been designated to receive them - the UK, West Germany, Italy, Belgium and the Netherlands. The mix would still include both the ballistic Pershing 2s, which can reach the Soviet Union in a matter of minutes from West Germany, and the slower, ground-hugging cruise, they said.

The only factor that would prevent deployment would be full Soviet acceptance of the zero option, as flexible as possible" in the talks.

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EUROPEAN NEWS

David Housego in Paris and Jonathan Carr in Bonn evaluate the state of the Franco-German relationship after the EMS row

Double delight in Paris, but no thanks

"WHAT FRANCE needs most from West Germany is a pick-up in the German economy," said a senior French official, reflecting on the state of the relationship after the Brussels skirmish over realignment of EMS parities and the subsequent French austerity package.

In fact Paris was delighted that on the Thursday before the Brussels negotiations of March 19-21, the West German authorities lowered interest rates by 1 per cent. But in the manoeuvring to bulldoze the West Germans into carrying out a substantial D-Mark revaluation, they got not this—but only a faint reference by M Jacques Delors, the French Finance Minister, to their "arrogance." (At that moment M Delors needed to show domestic opinion as well as the Germans that in any bargaining, he was hanging tough).

France took a double delight in the German move, both because in time it should allow French interest rates to come down too and because it should accelerate an economic recovery in Germany. The French Government blames much of last year's large bilateral trade deficit with West Germany, representing more than a third of the total French trade deficit, on the fact that French GNP expanded in real terms at 1.8 per cent while Germany's fell by 1.1 per cent. As a result, German industry sold in France the goods it was unable to sell

in its own depressed market.

In now planning for zero economic growth this year, the French are deliberately keeping a much below West Germany. But any increase in West German activity would enable them to raise their growth, and hence employment targets, and expand exports.

Now that the dust has settled over the Brussels skirmish and the Germans "did their duty"

the EMS and thus avoided the open protectionist policies that would have been consequent on pulling out. But the French are also relieved to see a solidly-based government established in Bonn.

The Quai d'Orsay points out that the only time since May 1981 that it has commented publicly on an election result abroad was after the recent West German poll, when it welcomed the emergence of a firmly-based majority. The French nightmare had been an indecisive result meaning that for the first time since the war France would have had an unstable partner in Bonn.

Chancellor Helmut Kohl's First Army stationed in West Germany has been taking part in exercises with Nato troops that leave little doubt that the French army would be committed early on in a European conflict instead of being held back to defend the French "softly-softly."

France's economic difficulties equally point towards greater co-operation over weapons manufacture. The French are now trying to interest the Germans in developing a new advanced fighter.

In terms of the EEC, France now expects that her European partners will be understanding about her economic problems.

In the German context, that will soon be put to the test by the French demand that West Ger-

many that Europe must look more to its own defence and hence the need for more extensive Franco-German co-operation over security issues. In unelling to the Germans after October's Franco-German summit previously withheld details about France's tactical nuclear planning, President Mitterrand's aim was to set this process in motion.

He emphasised it again—calling for increased fulfilment of the security clauses in the 1983 Franco-German Treaty of Co-operation—during his speech to the Bundestag in January which the French see as the basic text on the evolution of the relationship.

In the same spirit, the French

Government has also been privately welcomed because like President Mitterrand he is firmly committed to maintaining the nuclear balance in Europe and hence to the deploying of intermediate range weapons if the Geneva talks break down.

Paradoxically, French Socialist Government prefers to see conservative administrations in the U.S. and West Germany because they are more orthodox on security issues. Thus, the French would prefer Mr Ronald Reagan to Mr Mondale because they fear that Mr Mondale could pull U.S. troops out of Europe.

It is this fear of a "decoupling" of U.S. and Euro-

pean security interests that lies behind M Mitterrand's

words (he is likewise expecting them to "do their duty" on a number of other outstanding issues), the relationship is seen in Paris as emerging stronger from the test.

It is not only that France has demonstrated its commitment to

the goods it was unable to sell



President François Mitterrand (left) and Chancellor Helmut Kohl . . . a bumpy ride ahead, but the pessimistic case is not proven.

Enlightened self interest relieves irritation in Bonn

ON THE face of it, relations between West Germany and France might seem to be going to the dogs. Paris used unusually harsh words about the Bonn Government's initial reluctance to revalue the D-Mark within the European Monetary System (EMS). The two countries also have diverging views on a broad range of European topics, ranging from agriculture and steel to Bonn's proposed Act of European Union.

Further, the two Governments hardly seem tailor-made for easy co-operation—with a Christian Democrat (CDU)-led administration strongly supporting a market economy just confirmed in Bonn, and a Socialist-led one, tending towards state planning and control in Paris. The case of the pessimists about Franco-German ties might seem proven.

In fact, from Bonn's standpoint, the reality looks almost the opposite. West Germany's postwar cooperation with France was never easy—neither at the time of the bilateral friendship treaty of 1963 agreed by President Charles de Gaulle and Chancellor Konrad Adenauer, nor later. Even when the leaders in both countries were personal friends, things did not always run smoothly.

Crucial point

President Valery Giscard d'Estaing and Chancellor Helmut Schmidt had to hold up the start of the EMS, which they were chiefly responsible for creating, because of the demands of French farming interests.

The crucial point is that these two countries, formerly arch enemies, have built up so close a network of interests that it would be hard for either to break away without harming itself at least as much as the other.

For senior West German officials (both in government and central bank), this has been confirmed by the EMS realignment and, more importantly, by the French austerity package which followed it. There had been real initial fears at the highest level that France might, after all, break out of the EMS and intensify trade protectionist measures which would quickly spread throughout the EEC. For a time, the seemingly unthinkable looked as though it might just happen.

In the event, the Germans were greatly relieved at the direction taken by French economic policy (even if some officials feel that the 2.5 per cent devaluation of the franc was a bit too small and that some of the anti-inflation steps taken by Paris could have been tougher).

At first sight that seems odd, because Paris's efforts to cut its external deficit will hit, in particular, German exporters, who last year had a DM 17.3bn (\$45bn) surplus on visible trade with France. But Bonn argues that if Paris succeeds in cutting inflation and reducing its deficit, then, in the longer run, it will be a still sounder partner in economic and other fields.

This reasoning amounts to one of enlightened self-interest. The same goes for Bonn's new "Super

Crucial point

issue, aside, the Bonn and Paris Governments are not as far apart as the labels "conservative" and "socialist" might imply. On the crucial issue of Western European defence, Chancellor Helmut Kohl is clearly more to the taste of the hawkish Mitterrand than the rival Social Democrat (SPD) candidate, Herr Hans-Jochen Vogel.

Indeed, Mitterrand's speech in January in Bonn urging a tough Western stance towards Moscow on nuclear missiles, was one of the biggest boosts Herr Kohl received during the election campaign.

Joint project

True, the joint project for development of a battle tank for the 1990s seems to have gone down the drain—and it is hard to see so far where the intensified talks on military strategy, announced by both sides, are going to lead. But in Bonn the will to move towards closer defence co-operation with France is clearly there, fostered not least by the new Defence Minister, Herr Manfred Wörner—a francophile and fluent French-speaker.

None of this means that bilateral friction will soon be a thing of the past. Both countries have new Agriculture Ministers who could well be at loggerheads in the next round of the EEC farm price talks.

The Germans want to press ahead faster than the French with EEC enlargement. They also want a firmer commitment by the French, among others, to cut subsidies to the steel industry.

All that implies a bumpy ride ahead for both sides. But it seems likely to be eased by the recognition that Franco-German ties have just been confronted with a major test and have aced through relatively un-

Turkey eases oil rules

BY METIN MUNIR IN ISTANBUL

THE TURKISH Government yesterday published a Petroleum Act designed to encourage foreign investment in the exploration and production of oil in Turkey.

Foreign companies will be allowed to export up to 35 per cent of the crude they discover onshore and 45 per cent offshore and retain revenue from such sales. There are similar provisions for the discovery and development of gas, bituminous shales, and asphaltites.

In addition, the Act permits refineries and pipelines to be built in Turkey and provides

for tax exemption on imports of equipment for oil exploration and production. Joint ventures may also be negotiated with the state-owned Turkish Petroleum Company.

The first large oil discovery was made in 1940 in the far east of Turkey, close to Iraq and Syria—where all the main fields are located. Shell and Mobil are the only majors active in exploration and development in the country.

Annual domestic crude production is around 2.4m tonnes, compared to demand of 5m tonnes.

Portugal railmen face sack

BY DIANA SMITH IN LISBON

THE PORTUGUESE Government has "requisitioned" employees of the state-owned railways who are threatening a six-day strike over Easter. The requisition means they will be dismissed if they refuse to work.

Rail unions are demanding wage increases of about 25 per cent from the financially-crippled corporation and have stopped work repeatedly since January, often in conjunction with the Lisbon bus, tram and underground systems.

Thousands of Portuguese railmen return by train for Easter from France and West Germany and the Government is trying to have enough staff

to keep the railways to keep the trains running.

If the Government fails to yield to the workers' wage demands it would cut the railways an extra £1.1m (\$11m) a year, equivalent with difficult to a corporation more than 20 per cent a year.

FINANCIAL TIMES, published daily, subscription rates £6000 per annum. Special Class postage paid at New York, N.Y., and at additional mailing centres.

Hot news. Prices still frozen.

In July 1981 we reduced our Overseas Air Parcel prices and since then we've kept them firmly frozen in the face of inflation.

A price reduction followed by a sustained price freeze. And now the freeze continues again with no increase in April of this year. That has to be good news for Britain's exporters. How many other carriers could claim as much?

Price advantages aside, Royal Mail Air Parcels offer your business a comprehensive service: simplified paperwork, parcel collection for bigger users, availability of contract terms and published prices with no hidden extras.

And for less urgent consignments, prices for Surface Parcels are frozen too.

So if your delivery charges have been keeping one step ahead of inflation, come and cut costs with the Royal Mail by cutting out this coupon today.

E/87/2141/3

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POSITION _____
COMPANY _____
ADDRESS _____
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Royal Mail Air Parcels

EUROPEAN NEWS

CHANCELLOR HELMUT KOHL'S TEAM SWORN IN

Greens boycott Cabinet ceremony

BY JONATHAN CARR IN BONN

THE WEST GERMAN cabinet was sworn in yesterday in a parliamentary ceremony boycotted by the opposition Greens and a few Social Democrats (SPD).

The 27 green deputies, who have won seats in the Bundestag twice, marched out of the plenum claiming the ministerial oath of office to be a meaningless show. Some SPD members joined them in protest as Interior Minister Herr Friedrich Zimmermann, a member of the conservative Christian Social Union (CSU), returned.

When parliamentary debate resumed, the Greens raised a hubbub by calling Herr Franz Josef Strauss, the CSU leader, a "wandering pistolero" fond

of visiting foreign dictators. The comment drew angry shouts both from the CSU and its bigger party, the Christian Democratic Union (CDU) of Chancellor Helmut Kohl. Herr Strauss, Prime Minister of Bavaria, is not a Bundestag member.

However, despite their tough remarks and unconventional dress (jeans, sweaters and open-necked shirts), the Greens seem in danger of being almost patronised by leading members of the big parties.

Both Herr Willy Brandt, the SPD leader, and Herr Kohl have indicated that, far from seeing the new group as a threat to the system, they believe it to be proof of the vitality of West German democracy.

Speaking after his re-

election as Chancellor on Tuesday night, Herr Kohl spoke fondly of the new, young generation and stressed the importance of environmental protection — one of the Greens' favourite themes.

The Chancellor's new cabinet shows only two changes from the one he appointed last October — after he overthrew ex-Chancellor Helmut Schmidt in a parliamentary no-confidence vote.

Herr Ignaz Kiechle (CSU) becomes Farm Minister in place of Herr Josef Ertl (FDP), who had the job for more than 13 years. Herr Heinrich Windfuhr (CDU) becomes Inner-German Affairs Minister in place of Herr Rainer Barzel who was elected president (Speaker) of the Bundestag.

In any case, Herr Kohl pointed out that now he had a clear mandate for his centre-right position for the next four years, he had more important issues than the existence of the Greens to concern him.

He mentioned in particular the possible deployment of new

E. German training for young Poles

By Leslie Collett in Berlin

EAST GERMANY is to give 100,000 young Poles a taste of "socialist education" in its summer holiday camp this year, under a new youth exchange programme.

In return, 35,000 young East Germans will visit Poland, while Polish children and teenagers are also to be sent to the Soviet Union, Hungary and Bulgaria.

East Germany, which initiated the youth exchange, halted tourist travel with Poland in late 1982 after the rise of the Solidarity trade union.

East Germans and Poles still cannot visit each other's countries, except in special cases, since the East German Government remains wary of the mood of the Polish population.

East Germany's Education Minister, Frau Margot Honecker, discussed the exchange this week with General Wojciech Jaruzelski, the Polish leader.

She also had talks with the Polish Minister of Education, Mr Boleslaw Faron. The East German news agency said one of the main topics was the "socialist education" of youth in both countries and the closer relationship between "school and life."

The Netherlands has benefited greatly from discoveries of natural gas. Yet these reserves only 1.8 per cent of the world's total supplies and, even if conserved under existing plans, reserves are expected to run out within the next 55 years. The Government believes it has a duty to succeeding generations not to squander a rich resource and constantly balances this moral imperative against the more prosaic need to keep its financial affairs in the black.

They noted that the main influences on Polish youth were their largely apolitical families as well as the Catholic Church.

Netherlands to cut short cheap gas deal

BY WALTER ELLIS IN AMSTERDAM

THE DUTCH Government, under pressure from falling world gas prices, has announced that it intends to cut short a contract with an aluminium company guaranteeing it cheap gas until 1997.

Aldel, a company employing 700 workers in the northern town of Delfzijl, is a subsidiary of the Hoogovens steel group. Aluminium smelting is highly energy-sensitive, and the company was assured in 1963 that it would receive cut-price supplies from the nearby Groningen gas fields until almost the end of the century. The guarantee was, in fact, a major reason for both the establishment and the present location of Aldel.

Now Mr Gijs van Aardenne, the Economics Minister, has said that the arrangement must be renegotiated by 1988. Although the Government recently agreed

THE SOVIET UNION and Ruhrgas, the leading West German gas distribution company, have signed an agreement to supply from late 1985 Soviet natural gas to West Berlin, writes John Davies in Frankfurt. It involves building, from the Czechoslovak border through East Germany, 235 km spur in the complex pipeline network planned to pump Siberian gas to Western Europe.

The deal, to run until 2008, has to be approved by the West German authorities but diversification of the city's energy supplies has long been a West German aim. West Berlin at present is largely dependent on coal and oil products to meet its energy needs.

The supply of Soviet gas will build up over a period of years to as much as 650m cubic metres annually.

to cut electricity costs to major users in order to aid the competitiveness of Dutch industry, the Aldel deal still stuck out, however, as an illogical and costly hangover from the days of cheap fuel, which is apparently to be brought to an end.

In the Hague, it is felt that some Fl 2.5bn (£625m) more

than the Fl 13bn figure already agreed by the centre-right coalition is that revenue from gas last year fell by some Fl 3.5bn.

But while one impulse has been to try to negotiate new export contracts and thus keep gas sales by price closer to their old levels, there is also the longer-term question of conservation to consider.

The Netherlands has benefited greatly from discoveries of natural gas. Yet these reserves only 1.8 per cent of the world's total supplies and, even if conserved under existing plans, reserves are expected to run out within the next 55 years.

The Government believes it has a duty to succeeding generations not to squander a rich resource and constantly balances this moral imperative against the more prosaic need to keep its financial affairs in the black.

Peter Bruce on Italy's independent steelmakers

Bresciani close ranks against the axemen in Brussels

ABOUT 200 of Europe's most efficient steelmakers descended on Milan on Monday, ostensibly to hear Viscount Etienne Davignon, the EEC Industry Commissioner, reply to a report putting their case for fair treatment from Brussels. In fact, the occasion was more a gathering of the clan—the Bresciani, Italy's independent mini-mill operators.

Disregarding the principles that put Italy's big, integrated public sector plants on the coast, the Bresciani have installed mini-mills far inland, chiefly around the city of Brescia. While most plants, ranging in capacity from 50,000 tonnes to 500,000 tonnes a year, are in the province of Brescia, Bresciani ownership can extend down to the south.

There are roughly 100 producers, most of whom also make their own raw steel from scrap in electric arc furnaces. Their main products are rods, bar and wire and a small amount of special steel.

Viscount Davignon told them little they had not heard before. The world steel crisis was not a temporary phenomenon. Despite the imposition of production quotas, Bresciani was there to help, he said. But there were smiles when he suggested they complained too much, since Italy, the EEC's second largest producer, had increased its Community market share from 19.5 per cent to 22.4 per cent since 1977.

"What good is it to take more of less?" one asked.

Italy is due to present the Commission with a third draft of its steel restructuring plan today. The two earlier drafts were thrown back, Brussels arguing that they did not go far enough, especially in the state sector.

If Viscount Davignon believes his real problems lie with the massive overcapacity and inefficiency of Italy's state sector

plants controlled by Finsider, and not with the independent operators—mostly Bresciani—who last year made up nearly half of the country's 24m tonnes output of raw steel, he is mistaken.

The Bresciani, who easily outperform any other producer in Italy, are angry about production quotas and have decided to fight back. "Davignon was kidding us yesterday," said one.

"We are strong enough and we will not let him cut any more."

The producers around Brescia refer to themselves jokingly as the "Mafia Metalurgica."

"There is no violence," said one, "but we look after ourselves." Although about 10 producers have apparently stopped making steel in the past two years, as low pro-

ductivity quotas have forced them to concentrate on re-rolling it. It is impossible to say whether the capacity has not reappeared elsewhere.

There is the story of one steel-roller deciding a couple of years ago to install three electric arc furnaces. After the first had been built, a state-owned producer nearby complained that the aim was to curtail, not add to, steelmaking capacity. Permission to build a second furnace was refused. The company simply assumed a new name, under which it obtained permission to install another. That, too, was denied, but too late.

Other ploys to circumvent the spirit, if not the law, of EEC capacity cuts, are equally in-

genious. Steel mills shut down have been bought and reopened under different names. Another Bresciani company recently closed two old mills and used its compensation to buy new equipment. Funds made available by Rome to stimulate cutbacks have resulted in at least one producer being paid for shutting down two years earlier.

"It's better to go bankrupt with Davignon than with the market," says one producer, but another, rather than bend to Brussels' will, is shifting all his plant to Africa.

Feralpi, an expanding steel-

maker at Lonate just outside Brescia, last year bought in 20,000 tonnes of quota (at £20 per kilo) in an attempt to boost its output legally to around

300,000 tonnes of raw steel. This is no longer possible. Until last year production quotas were being allocated even to companies that had closed, but surveillance has since become tighter.

In many ways, Feralpi is typical of the Bresciani pro-

ducers. The plant, set up in 1968, is modern, family-owned, employs 500 people and still profitable. Like most Bresciani, it concentrates on long products—in this case, reinforcing bars. Feralpi's "rebar" a year has been made largely in association with a quota of only 280,000 tonnes imposed by Brussels.

Sig Armando Fantiini, one of the directors, notes with some pride that part of the Olympic stadium in Moscow contains Feralpi steel. But the other traditional markets have gone since quotas were introduced in 1980. Quotas have forced prices up and cheaper Japanese and Spanish steel has flooded the North African and middle East "rebar" markets that Feralpi and other Bresciani used to dominate.

In 1977, 40 per cent of Feralpi's output was exported to the Third World. Today, they manage barely 20 per cent. Total exports have declined from 60 per cent to 45 per cent at the same time.

Such is the reputation of the Bresciani that a few years ago

seats in France had it that French rolling stock carrying scrap to Brescia was being melted down as well. SNCF wagons seemed to disappear.

The reports died when a French scrap dealer, via his supplier in Poland, noted SNCF wagons had been loaded with scrap bound for Brescia.

If the Italian restructuring plan is again rejected by Brussels and if the Bresciani come under more pressure to cut capacity, they will resist.

Struggling producers fined by Brussels for exceeding quota will have their fines paid by other Bresciani companies.

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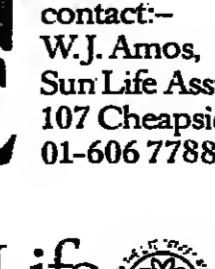


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AMERICAN NEWS

Argentines get a new look at war on BBC video

BY JIMMY BURNS IN BUENOS AIRES

IN THE SPARTAN rooms of the local Peronist Party headquarters in Buenos Aires last week, a BBC TV news film was shown. Hailed by two huge posters of Evita - and was generally approved.

"Very objective. It doesn't idolise Mrs Thatcher and it shows us what a mess Galtieri got us in," said Luis, a militant of many years standing. Next to him Compañero Silvia was mute, her eyes streaming with tears - whether out of sadness or rage one could not really tell.

Along with a group of about 100 other party militants - a mixture of students, trade unionists, and old age pensioners - Luis and Silvia had just sat through a showing of Task Force South, a video film of the Falklands war made by the BBC last year.

Watching the film was an act of political defiance. One year after Argentine troops prepared to invade the Falklands Islands, the question of why Argentina went to war, and why it lost, has not been answered by the military authorities. But in the absence of official explanations, Argentines have only pursued the information with even greater vehemence.

Task Force South gives only some of the answers, but it shows a great deal more than anything we've ever been given here," commented Luis.

Scenes of the huge British fleet sailing from Southampton, the troops training before landing at San Carlos Bay, the battle for Port Stanley, and finally the surrender, are all familiar to a North American or European audience. But for the Argentines, the video offers the first visual confirmation that there was more to the war than the bogus vision offered by the state controlled TV.

In the heated debate that followed the film's showing, it was clear that Luis and Silvia were not the only ones genuinely surprised by the surge of patriotism that greeted the task force as it set sail. "Are those really civilians waving those flags?" asked one of the militants, used to believing that the only demonstration that mattered in the world was the one he had attended in May Square after the islands were taken.

Equal amazement was expressed at the sight of the blatant inequality between the British and Argentine soldiers, in terms of training and equipment. But this overriding emotion was one of bitterness at the ease with which the paratroopers had managed to make their way to Port Stanley.

The most honourable thing that Gen Menéndez could have done would have been to shoot his own brains out," said one Peronist.

But perhaps the biggest revelation of the video for those present was in its crude record of the reality of war - prisoners of war being searched, soldiers with their legs blown off, a young surgeon extracting a bullet from a mass of blood. None of this was seen by Argentine civilians last year. On Argentine TV, the British were invisible, while the Argentine conscripts were well-fed, smiling, and always on their way to victory. The Falklands war is now history but the Peronists



Leopoldo Galtieri

were as shocked as if they had just lived it. "Poor boys, poor boys," a woman kept repeating.

But no emotion, however great, seemed capable of convincing any one of the justice of the British cause. They thought the BBC had provided a rather sparse background to the Argentine sovereignty claim over the islands. "The Malvinas will be Argentine sooner or later, although before getting into another mess like that we should put our own house in order first," was Luis' view.

Feelings such as these have followed Task Force South in its rounds of Buenos Aires. With the approach of the first anniversary of the invasion on Saturday copies of the film have defied police checks and spread uncontrollably through the streets of the capital.

Once it was only the privileged few - mainly certain military officers and rich Argentine tourists on holiday in the Uruguayan resort of Punta del Este - who could catch a glimpse of the "other side of the war." But today, the "Malvinas show," as the BBC film is referred to by some, has become a social event.

The film is often shown as part of a cocktail party or after dinner coffee. It is also a central part of a "hearts and minds" campaign conducted by multinational companies in the wake of the Falklands war. Faced with a resurgence of nationalism, managers are encouraged to show their workers that the British were not so bad after all.

Interest in the film has predictably provoked an upsurge in video piracy and good business too at the small number of shops in Buenos Aires that hire out video equipment.

Some "show" organisers have managed to get an original copy of Task Force South on a trip to Europe. But the majority, like the Peronist group this week, have opted for the local version. The copy which Luis and Silvia saw had been hired out by the war veterans organisation.

The veterans are angry with the lack of Government help in their search for civilian jobs and with the pitiful wage of \$50 they received as a bonus for risking their necks on the islands. They are now offering the BBC film out at \$30 a session.

Foreign exchange report issued

WASHINGTON - A long awaited study intended to settle a heated U.S.-European dispute over government intervention in foreign exchange markets appears to have come up with conclusions that both sides can claim as a victory.

The study by seven nations, concludes after 10 months of debate that intervention can make a difference in stabilising

exchange rates - but only in cases where a country has simultaneously altered its basic monetary policy.

At the same time, the study asserts that intervention can be more effective if it is done "co-operatively" by the countries involved, even if none of them alters its monetary policy.

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Dan McCosh in Detroit reports on a trade union's struggle to regain lost ground in the motor industry

Four Americans who could stymie the Japanese

WHEN Robert Mallow, a boiler room operator at the Honda car plant in Marysville, Ohio, convinced three of his fellow workers to join him in the United Auto Workers Union, he created one of the most elite groups in the U.S. car industry. The UAW currently represents about 800,000 U.S. car workers, including every car assembly plant in the country, except Honda.

Mr Mallow and his colleagues are the only UAW workers in the Japanese-owned U.S. assembly plant, the first such plant in the U.S. which is determined to maintain the Japanese paternalistic style of management.

Successfully negotiating such a contract in the U.S. particularly

been assured by GM's chairman that the "successful conclusion" of a union agreement was a necessary condition for the joint venture to go through. Retiring UAW workers is not the only unresolved issue. Toyota is also expected to try to ruin the Fremont plant in a similar way to its own assembly plant in Toyota City, Japan, where company unions much more determined than the UAW go along with the Japanese paternalistic style of management.

Many new workers

in the Honda plant have been recruited straight from school.

"They're young, naive and full of that teamwork stuff," says a union man.

Early if it involves lower pay and fringe benefits, is expected to be difficult, and some GM executives concede that the deal with Toyota could yet fall through.

At least one other major Japanese joint venture also has a long way to go in negotiations with the UAW. Ford Motor is negotiating with a group of Japanese steelmakers headed

by Nippon Kokan (NKK) to sell Ford's steel-making operations. Ford is bound by a successor clause which says the union will, in effect, be included in the deal if the plant is sold.

The Japanese are insisting that Ford negotiates a new contract with the UAW as a condition of the sale. They are reportedly demanding wages "competitive" with the rest of the steel industry - Ford's steel workers historically have had higher pay than those in independent steel companies and the easing of restrictions.

Part of the problem is "cultural," he says, adding that the talks are complicated by the

fact that NKK employed a U.S. labour lawyer who is insisting on "very rigid contract language."

The UAW has already experienced an unsuccessful five-year fight to organise the Kawasaki motorcycle factory in Lincoln, Nebraska, one of the earliest Japanese manufacturing plants in the U.S.

That has been a classic confrontation," says a UAW spokesman.

But the strongest confrontation between the union and the Japanese is over the fundamental philosophy of management that workers should be part of an industrial "family," and that strong unions invariably introduce unwanted dissension.

"One of our guys wore one out in the plant the other day and got booted," says Mr Mallow.

"That's baloney," says Mr Mallow, explaining his sudden interest in joining the UAW after working under Japanese management, despite his union power.

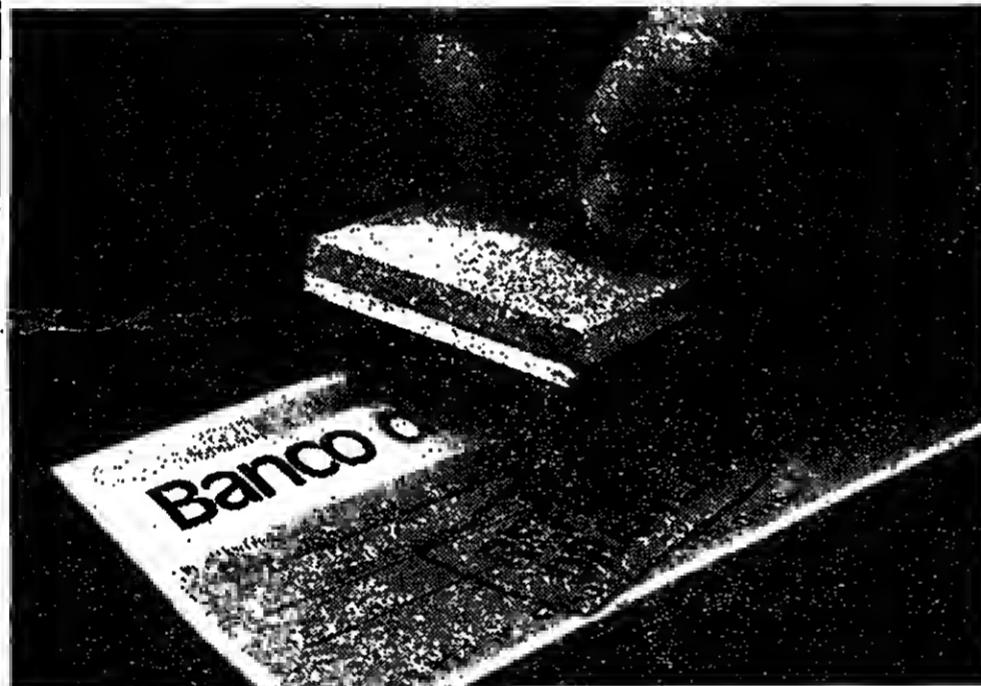
The GM-Toyota plant introduces another regional factor. It is located on the edge of Silicon Valley, California's home of high-technology computer manufacturing. A car plant is an anomaly in such an environment where the work is done for uneducated workers. Wages comparable to heavy industrialised Detroit will be

difficult to negotiate.

But the strongest confrontation between the union and the UAW has been a violation of the corporate dress code. Honda said they were a violation of the corporate dress code. The hats are worn freely now, but they bring a mixed reaction.

"One of our guys wore one out in the plant the other day and got booted," says Mr Mallow.

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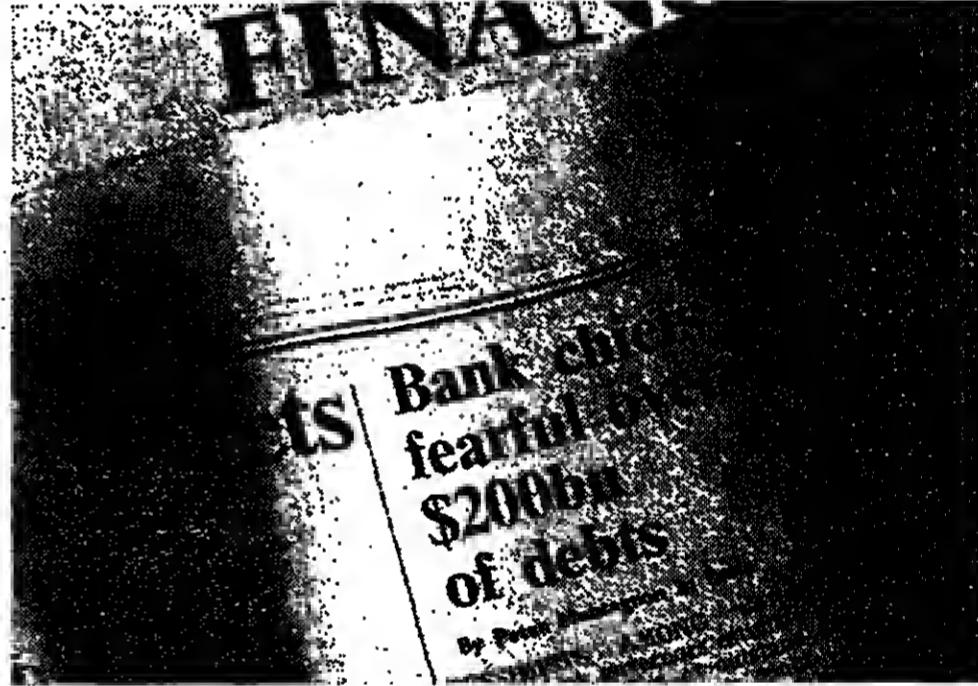
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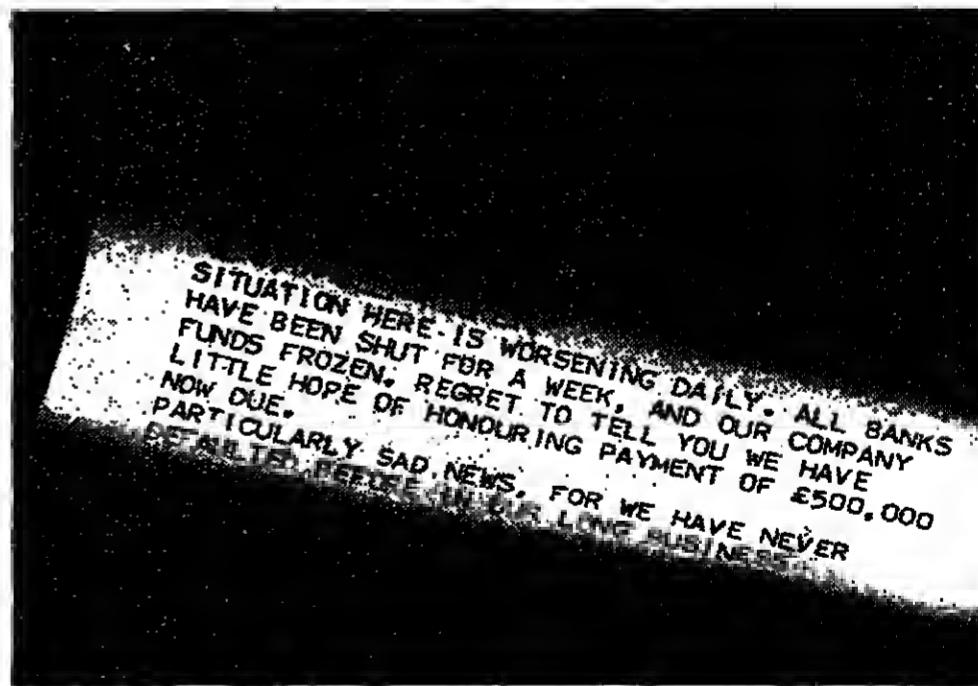
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WORLD TRADE NEWS

ECGD to offer Iraq £150m credit to pay UK contractors

By PATRICK COCKBURN

BRITAIN'S Export Credits Guarantee Department (ECGD) is expecting to reach an agreement in principle with Iraq early next month on credit terms worth about £150m for the completion of projects on which British companies are working.

Iraq is seeking to convert payment for most of its projects from cash credit because of the country's financial difficulties. Its oil revenues have fallen sharply since the start of the war with Iran in 1980 when it totalled \$25bn to an estimated \$6bn this year.

The £150m credit now being arranged will be used largely for the completion of three contracts signed in 1981. The largest of these is the £110m Abu Ghraib expressway on which Kier International, a subsidiary of French Kier, has just started construction.

John Laing Construction is near completion on a £63m project to build a series of road interchanges on the Army Canal in Baghdad. Paterson Candy International is working on a £34m scheme to provide electrical and mechanical works for a major water supply scheme in the capital.

Iraq has approached almost all international contractors in the country to arrange credit for two years or more. British exports to Iraq were worth £875m last year but little of this was for large-scale projects and

W. Germany still top Dutch trade partner

By Walter Ellis in Amsterdam

WEST GERMANY has been confirmed once more as the Netherlands' biggest trading partner—just one week after the realignment of currencies within the European Monetary System (EMS) gave Dutch exporters a 1.5 per cent competitive advantage over their neighbour.

In 1982, West Germany accounted for 29 per cent of total Dutch exports. Belgium came next, with 15 per cent, then France (10.5 per cent), the UK (9.6 per cent), Italy (5.8 per cent) and the US (3.4 per cent). The import picture is similar.

Germany provided 22 per cent of Dutch imports, compared with Belgium (11 per cent), the UK (9.4 per cent), the US (9.2 per cent) and France (6.5 per cent).

Total Dutch exports last year were valued at Fl 177bn (£44bn)—a rise of 3 per cent. Imports were worth Fl 167bn, the Royal Dutch Shell subsidiary. But it is said to be facing a "very bleak" future

ECGD is expecting renewed talks with Iraq in the near future and say that agreement in principle is close. It is still unclear, however, whether credits for new contracts will be made available or on what terms. Iraq has cut imports except those related to the war effort.

Britain's position is that it will not sell weapons to Iraq—so long as the war continues—but in 1981 British companies did sign contracts for £250m worth of defence related but non-lethal equipment. Most of Iraq's military supplies come from the Soviet Union and France.

W. German photographic chain expands in Hungary

By LESLIE COLLYN IN BERLIN

FOTO-Quelle of West Germany which opened a retail store in Budapest last June, the first such Western outlet in Eastern Europe, is expanding to two other Hungarian cities. The leading photographic and optical goods chain says it will open stores in Sopron and Szeged this year and next because of the success of the Budapest operation.

A spokesman for Foto-Quelle said the Budapest store expects to do more than 16m forints (DM 1m) (£280,000) in business during its first year. Hungary pays for the West German goods sold in the store for 90 per cent by exposing an equivalent amount of products to West Germany for sale in Foto-Quelle shops.

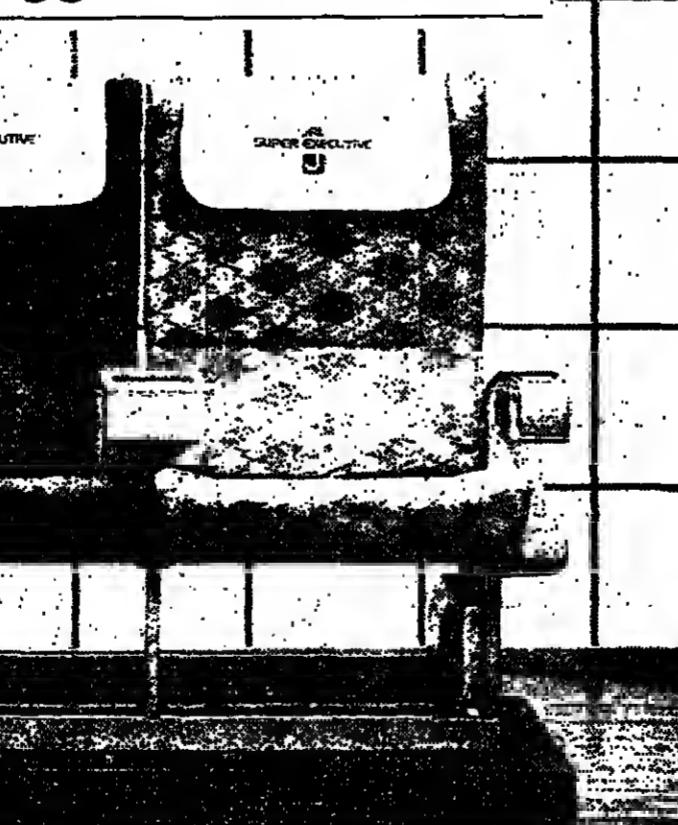
These include spectacle frames and leather cases, black and white film, photo paper and plastic trays for home film

processing. All the items in Foto-Quelle's West German catalogue are sold in Hungary under the company's Revue label.

The number of customers in the Budapest Foto-Quelle store has risen by the month and includes visitors from other East European countries who cannot buy cameras and optical goods in their own countries.

Prices are high by West German standards. An electronic movie camera sells for 11,900 forints and a zoom lens for 12,000 forints, while the average monthly wage in Hungary is 4,500 forints.

Foto-Quelle says other East European countries have signalled an interest in having similar retail outlets, but Hungary, with its economic reform, appeared to offer the best prospects for Western consumer goods retailers.

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JAPAN AIR LINES

Andrew Whitley reports on the fate of the Kabalbeo project

Surinam's \$1bn bauxite dream near to death

THE KABALBEO project, Surinam's \$1bn dream to open its western regions near the Guyanese border through exploitation and processing of local bauxite deposits appears close to death.

Officially, the Government headed by Col Desi Bouterse, describes the seven-year-old project as "frozen" rather than cancelled. It still has hopes of persuading a multinational mining company to participate in a scaled-down version of the

local subsidiary, Suralco, said recently. Alcoa's integrated aluminium industry dominates the Surinam economy.

The other, smaller bauxite

company in Surinam is Biltion,

the Royal Dutch Shell subsidiary.

But it is said to be facing a "very bleak" future

EEC national courts barred from enforcing Gatt rules

By A. H. HERMANN, LEGAL CORRESPONDENT

COMPANIES and private businesses in the EEC cannot use their national courts to seek the enforcement of their obligations under the General Agreement on Tariffs and Trade (Gatt).

The fact that West Germany is its main trading partner was the main reason for the Netherlands' concern last week in Brussels over the changes in the EMS. In the event, the D-mark was reviving the guilder by only 3.5 per cent. Dutch industry was pleased but the reception in Bonn was frosty.

Later it was learned that the Dutch Government, in not reviving the guilder by the full 5 per cent, had gone against the express wishes of the Central Bank in Amsterdam, which in recent years has made parity with the D-mark a central tenet of faith.

The Government argues that while the two currencies are now out of line, the shift has been slight.

Britain's small stake in Algerian market

British companies' very small share in the growing Algerian market was underlined at a conference held yesterday at the London Chamber of Commerce on "Britain in the Algerian market", writes Francis Ghiles. British exports to Algeria totalled \$199.1m in 1982 and imports from the North African country £176.3m. Such figures show that the UK lags far behind France, West Germany and the US, which accounted last year for 22.2 per cent, 13.3 and 9.1 per cent of Algeria's estimated \$1bn worth of imports respectively. Britain's share was 2.3 per cent.

European Court moved away from an earlier stand related to the interpretation of trade agreements.

Earlier it had held that obligations arising from trade agreements with countries outside the EEC could be directly enforced in national courts, even if there was no reciprocal arrangement with the outside country signing the agreement.

Member governments feared that the European Court might extend this rule to all obligations under the Gatt.

The European Commission and member governments of the EEC all opposed the notion of what lawyers called "direct effect" that national Gatt obligations could be directly enforced in domestic courts.

In agreeing with them, the

European Court is making a

duke trade barriers, the UK

Government argued. But the

UK's Treaty of Rome—its

legal foundation—aimed at

economic integration and

created the EEC's own legal

system and institutions.

According to previous rulings,

the Court could interpret

international agreements only

if it was necessary for the

determination of validity of Com-

munity acts. This has been

changed by the judgements of

March 16, when the Court ex-

plained that it has the

power to interpret the Gatt for

whatever purpose necessary.

One of the four disputes

decided (No 168/81) was be-

tween Societa Italiana per

l'Oleodotto Transalpino (Siot)

and the Italian Ministry of Fin-

ance over the imposition of a

transit tax on crude oil from

third countries pumped from

Trieste to Austria. The other

three disputes (367/80/81)

were over the legality of ad-
ministrative dues on imports
abolished in 1971 but not re-
funded.

In another ruling of general

importance made on the same
day, the court held that it had

jurisdiction to interpret the
Gatt from July 1, 1980 when

the Community took over the

obligations undertaken by its in-
dividual members by assuming

responsibility for external trade

relations.

Instead of there being 400m

tonnes of ore in the

Bakhuis mountains, the latest

edition of the Inter-American

Development Bank's annual

report claims, the mining com-

panies believe there is only

50m tonnes of "medium to low"

grade bauxite, scattered in

dispersed deposits.

The new regime which

seized power in February 1980

through a coup has always been

hostilely opposed to the

grandiose scheme it prefers

smaller projects of more direct

benefit to the Surinamese.

"The concept was always

floating in the air," said Mr

Charles Defares, a senior

Industry Ministry official.

Notwithstanding its disaste-

rous record, the Surinamese

Government is faced with the

uncomfortable fact that approxi-

mately \$1bn (210m) has

already been spent and poten-

tially wasted—a sum equivalent

to nearly twice the Government's

total expenditure last year.

Two-thirds of the money went

on the railway, built by

Morrisson-Kaufman of the U.S.

Inaugurated in 1980, the cell-

way has rotted away silently in

the jungle ever since.

More than \$1m a year is

being spent just on maintaining

the line and its associated facil-

ties, according to Mr Winston

Calderon, Surinam's finance

minister. \$1.4bn was spent

on preliminary work on the

bauxite deposits, mainly in con-

sultancy fees.

The river port and township

at Apopa, where the processing

facilities were to be located, are

described as a ghost town by

visitors.

At one stage Reynolds, the

US aluminium company, took

up a concession on the bauxite.

After disappointing field results

it decided not to proceed and

handed back its rights.

As an argument over whether or

UK NEWS

Thatcher keeps election options wide open

BY PETER RIDDELL, POLITICAL EDITOR

MRS MARGARET Thatcher, Prime Minister yesterday admitted that the weakness of the pound and uncertainty might affect the timing of the general election. In a radio interview last night she kept open all her election options, but was much more explicit than before about the problems posed by uncertainty over the date.

Mrs Thatcher said that when she came to decide on a date, which was not yet, "uncertainty and what that means for our country will be a factor uppermost in my mind". She said the issue would not arise until four years after the last election, which is on May 3. She thought that the dollar would weaken "in due course of time, but we will have to live through the interim".

Her comments are clearly intended to keep everyone guessing.

but they are unlikely to dampen speculation about a June election. Opinion among Tory MPs and junior ministers has swelled around, almost from week to week, between June, October and next year. But after the Tories' second position in the Darlington by-election last week, there seems to have been some revival of talk about June, not least because of worries about unemployment and rising interest rates.

Nevertheless, the majority of the Cabinet, and Mrs Thatcher's stated preferences, still appear to favour October or later, though a decision will not be taken until after the local elections on May 5, and the Cardiff North West by-election, probably on the same date.

The Government is trying to maximise its room for manoeuvre

by pushing through legislation as fast as possible. Only a couple of major bills are still to go through the House of Commons. Treasury ministers are also trying to accelerate the timetable for the Finance Bill so that it could be approved in time for a June election, but Labour will not agree to faster than usual consideration.

In a characteristically ebullient interview, Mrs Thatcher was optimistic about the economy, although she strongly criticised the strikers at the Halewood and Cowley motor plants. She said their actions were "thoroughly depressing".

On the eve of the first anniversary of the Argentinian invasion of the Falklands, Mrs Thatcher appeared to rule out any compromise with the Falkland Islands, and reiterated a "fortress Falklands" policy.

Tricentrol group wins Wytch oil stake

BY RICHARD JOHNS

BRITISH GAS Corporation was yesterday instructed by Mr Nigel Lawson, Secretary of State for Energy, to sell its 50 per cent share of the Wytch Farm oil field, in Dorset, the UK's largest on-shore field, to the consortium led by Tricentrol.

The "Dorset group", which included also Careless Capel, Clyde, Goal, and Premier - is believed to have submitted a revised bid in the range of £200-260m, compared with up to £50m sought by British Gas. It is based on a complicated formula with an initial payment and the final amount depending on actual rates of output achieved.

Mr Lawson gave the instruction verbally yesterday morning at the Department of Energy to his adversary, Sir Denis Roeke, chairman of British Gas and its full board. He said that British Gas should proceed with the sale as quickly as possible. But no deadline has been set.

Mr Lawson's order brings to an end a protracted deadlock dating back to the summer of 1981 when the first directive to dispose of the assets, which the corporation most recently estimated to be worth

£500m, was issued. Sir Denis evidently hoped to hold out until the next general election or the appointment of a new Energy Secretary.

For his part, Mr Lawson has been committed to bringing about a sale before the next general election and before bringing about the disposal of British Gas off-shore oil assets in line with the Oil and Gas (Enterprise) Act which became law last summer.

The other consortium remaining in contention has been the one composed of Rio Tinto-Zinc, Charlerhouse and Associated British Foods.

British Petroleum still has the option to match any offer made, and thus obtain 100 per cent control of the field. But it remains unclear whether it will exercise it.

Wytch Farm at present produces at most 4,000 barrels a day, but could yield as much as 60,000 b/d, according to the highest estimates of British Gas. In practice, the rate reached would depend partly on obtaining necessary planning authorisations needed to maximise output.

Ford peace talks open

BY JOHN LLOYD, LABOUR EDITOR

BOEING SIDES in the three-week-old Ford strike at Halewood, Merseyside, will meet at the Advisory, Consultation, and Arbitration Service (ACAS) today.

The initiative was taken by Acas yesterday after a call for independent arbitration from Mr Ron Todd, senior national officer of the Transport and General Workers' Union.

The strike, which began when a

line operator was dismissed for allegedly damaging a bracket, has so far cost Ford £70m.

There is little possibility that it will be settled by conciliation, and Acas will probably try to persuade both sides to allow arbitration, by Acas officials or an independent third party. Mr Todd accepts that the results of arbitration should be binding.

Courtaulds link for aerospace

By Rhys David

COURTAULDS, the UK fibre group, is to set up a new \$25m carbon fibre joint venture with the Dexter Corporation of Connecticut in the U.S., in a bid to win a share of rapidly rising demand from the aerospace industry for the material.

Courtaulds, one of only a handful of major world producers of the high strength, lightweight material, will deliver into the joint venture its existing carbon fibre and carbon fibre precursor manufacturing facilities in the UK. It has recently invested £2m (\$5m) in a plant aimed at boosting output from the present 200 tonnes per annum to 350 tonnes.

Dexter's 50 per cent contribution to the venture will include a substantial cash sum together with its resin manufacturing operations in the U.S. and its marketing and technical expertise in selling resins for use in the aerospace industry. Part of the funds generated by the deal will be used to enable the new joint company, to be known as Hysol Grafil - the names respectively of Courtaulds carbon fibre and of Dexter's resin products - to build a new carbon fibre production unit in the U.S. based on the new plant now being built by Courtaulds in the UK.

The attraction of the deal for Courtaulds is the greatly improved access it will give it to the U.S. aerospace market, the biggest user by far of carbon fibre composites. The world market for the product stood at 730 tonnes in 1980, rose to 1,751 tonnes in 1982 and is expected to reach nearly 3,300 tonnes in 1985. In recent years the U.S. has accounted for two thirds of world demand with aerospace taking just under half.

1982 A Record Year for Alahli Bank of Kuwait

PROFITS

SHAREHOLDERS EQUITY

UP 54.7% UP 50.2%

BALANCE SHEET AS AT DECEMBER 31, 1982. 1KD = 3.46 US\$

ASSETS	KD	LIABILITIES AND SHAREHOLDERS' EQUITY	KD
Cash and balances with banks	35,857,857	Liabilities	
Money at call and short notice with banks	23,521,274	Demand time deposits and other accounts including company deposits	1,305,129,481
Trade with customers	85,000,000	Current time deposit availed (Note 4)	35,876,500
Bankers negotiable certificates of deposit	28,352,335	Bonds and other long term debt	7,217,500
Owned investments (market value)	62,320,738	Instruments (Note 5)	2,871,000
KD63,308,928, 1981 KD50,873,499	Proposed dividend		
Deposits with banks	95,712,475	TOTAL LIABILITIES	1,341,086,481
Loans and discounts	651,378,000	SHAREHOLDERS' EQUITY	
		Share capital (Note 6)	23,925,000
		Statutory reserve (including share premium)	
		KD55,725,000, 1981 x 0.05 100,000	
		(Note 6)	58,575,413
		Voluntary reserve (Note 6)	12,788,750
		Unappropriated profits	547,988
		Total shareholders equity	96,832,152
TOTAL ASSETS	1,437,928,633	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,437,928,633
Liability of customers for letters of credit, acceptances and guarantees	413,031,842	Letters of credit, acceptances and guarantees on behalf of customers	413,031,842
		TOTAL BALANCE SHEET	KD 1,850,960,475

STATEMENT OF NET PROFIT AND APPROPRIATIONS	KD	FIVE YEAR RECORD - FINANCIAL RATIOS
Net profit for the year after charging expenses, writing down assets, providing for contingencies and for contribution to Kuwait Foundation for Scientific Advancement.	10,566,538	1978 1979 1980 1981 1982
Unappropriated profits brought forward	286,857	(%) (%) (%) (%) (%)
Total profit available for appropriation	10,853,393	Loans and discounts/deposits 36.8 46.1 41.8 41.9 49.9
Proposed appropriations of profit		Shareholders' equity/assets 5.0 5.6 5.8 5.1 6.7
Statutory reserve	1,056,654	Shareholders' equity/deposit 5.4 6.2 6.3 5.5 7.4
Voluntary reserve	8,288,750	Net return on average shareholders' equity 10.0 9.3 7.7 11.0 13.1
Proposed dividend 12% (1981 10%)	2,871,000	Net return on average assets 0.54 0.49 0.44 0.60 0.78
Remuneration of Board of Directors	94,000	
Unappropriated profits carried forward	KD 10,310,404	
	KD 542,988	

The Shareholder's General Assembly held on Jan. 25, 1983 approved to Increase the Bank's capital to 30,000,000 Kuwaiti Dinars through a bonus distribution of 6,075,000 shares to be provided through a transfer of KD 3,589,000 from the voluntary reserves and KD 2,486,000 from the internal reserves.



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UK NEWS

BANK OF ENGLAND QUARTERLY REVIEW

Caution on money aims

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

The Bank identifies factors which could put next year's target for money supply growth under pressure:

- Any tendency for inflation to accelerate more than predicted;
- Any industrial revival causing an increased demand for loan finance;
- Any further continuation of the structural shift in the relationship between the demand for money and total national income. A reversal of previous shifts would make the targets seem lower than intended;
- Any tendency for public borrowing to be higher rather than below its target next year.

The Bank says: "In interpreting developments, account needs to be taken of various changes in the economy which have affected monetary behavior, and of monetary factors which have affected the course of the economy - interactions which have recently been especially important."

"Careful review is needed at the present juncture, since developments have at several points been unexpected, and the behaviour of the economy thus difficult to interpret. Consumer demand has been unexpectedly strong; the decline of imports in the second half of last year in face of strong domestic demand - and modest growth of output - was also unexpected."

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		as at 1st April, 1983	
		in Shares of \$2 each	

Application has been made to the Council of The Stock Exchange in London for the admission of the whole of the share capital of SCI/TECH S.A. to the Official List as and when issued.

Particulars relating to SCI/TECH S.A. are available in the statistical service of Exel Statistical Services Limited and may be obtained during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including 19th April, 1983 from:

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and from the Brokers to the Introduction Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN.

31st March, 1983

Banks accused of greed in debt rescheduling

BY OUR ECONOMICS CORRESPONDENT

BANKS ARE strongly criticised by an all-party committee of MPs in a report out yesterday for the "greedy" practice of demanding more lucrative terms when rescheduling the debts of Third World countries. The Treasury and Civil Service Committee says in a report on the international banking crisis that present rescheduling exercises are at present being accompanied by heavy increases in fees and terms, thus enabling banks to treat rescheduling as a profitable activity.

The committee says: "This seems to us a highly dubious practice." It says banks ought to assume that they might not recover the full amount of their loans. This should make them increase provisions for bad debts and, therefore, show lower rather than higher profits. The report points out also that countries facing rescheduling are under duress and have little alternative but to agree to the demands of creditors.

Lord Richardson, Governor of the Bank of England, told the committee that the Labour Party's policy of engineering a substantial depreciation of sterling to promote recovery

was inflationary and unworkable. He had been asked by Mr Austin Mitchell, a Labour MP, whether the benefits expected from the recent depreciation of sterling might not have been secured by a deliberate act of the authorities rather than by market forces.

Lord Richardson replied that a deliberate policy of lowering the exchange rate by, for example, a big cut in interest rates would have sent out the wrong signals to the markets and raised inflationary expectations.

Mr Mitchell's policies would lead to a resurgence of inflation and conditions which would ultimately abort the aim of reducing unemployment - "then we would be set back on the bad old track."

Mr Mitchell then asked him why it was thought a relaxed fiscal and monetary stance could lead to a recovery of output in the U.S. but not in the UK.

Lord Richardson said although there was evidence of a U.S. economic revival, "the main anxiety and question in the U.S. about the durability of recovery rests on the lax fiscal position of the authorities."

THE BANK of England is decidedly cautious in its latest Quarterly Bulletin about the Government's monetary targets for the coming financial year.

It emphasises uncertainties in a year which it believes will experience a modest recovery of the real economy. It says this recovery, aided by a revived world economy and particularly a U.S. revival - will probably increase industrial borrowing and help to keep bank lending high.

The Bank says the high lending level in 1982-83 has put pressure on the monetary restraint policy, and the money supply grew within the target range partly because public borrowing was £2bn below its original £9bn target.

In its general assessment the Bank says: "Nevertheless, combined with the prospect of inflation being contained at something close to its present rate, the present (economic) background, despite the many uncertainties, should on balance be helpful for the operation of monetary policy."

The new target range of 7 to 11 per cent (annual growth of the money supply) should continue to help moderate the growth of domestic costs, while leaving room to accommodate the likely upturn in the economy."

The Bank, however, also lists the

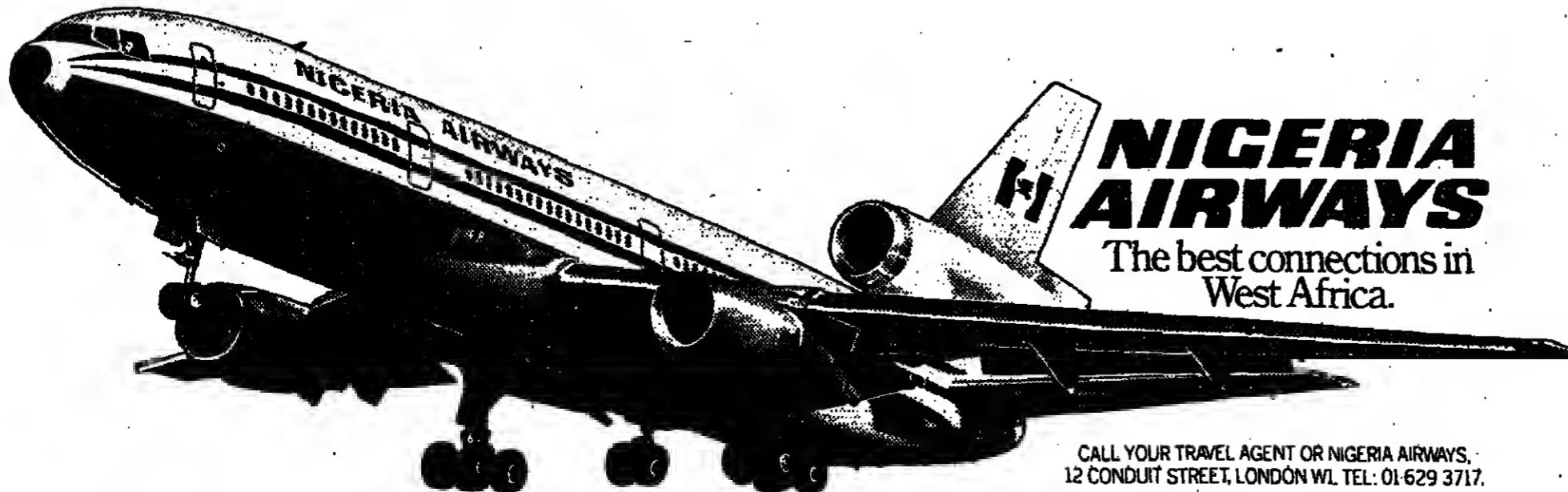
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Rolls-Royce turns in net loss of £134m

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

CONTINUED depression in world airliner sales, which has caused a sharp fall in demand for the aircraft engines, was chiefly responsible for a net loss of £134m by Rolls-Royce, the state-owned aero-engine manufacturer, in 1982.

In the previous year, the company had a net loss of £1m.

The company's operating profit was £27m, against £126m, in the previous year. But after net provisions for research and development of £131m, and interest of £47m, the pre-tax loss amounted to £91m, against a profit before tax of £16m in 1981. Turnover was £1.49bn against £1.44bn.

Lord McFadzean, who hands over as chairman of the company to Sir William Duncan, from tomorrow, said the basic cause of the losses last year was the continued substantial fall in available work, particularly on "large jet" jet engines, for civil airliners.

While the longer-established engines, such as the Spey jet, Dart turbo-prop, the Viper and Adour jets, "remain substantial and profitable businesses," as did the Pegasus and RB-199 military jet engines.

"Rolls-Royce was geared up to produce, in the early 1980s, more than 300 large fan engines of the RB-211 type each year," Lord McFadzean said.

"Estimates have been progressively revised downwards and the latest forecast is that less than a quarter of this figure will be produced in 1983. The lack of demand for the large civil engines, a lower than expected requirement for spares, reducing inventories, and shorter manufacturing lead times, produced a sharp decline in work-load in 1982," he added.

"There was a consequent fall in employment, a significant cut in orders on suppliers, and the need for

Court order on Laker restored pending appeal
By Raymond Hughes,
Law Courts Correspondent

A TEMPORARY order banning the liquidation of Laker Airways taking any further steps against British Airways and British Caledonian in his £1bn anti-trust action in the U.S. was restored by the Master of the Rolls, Sir John Donaldson, yesterday.

The order had been discharged by Mr Justice Parker in the Commercial Court on Tuesday.

Sir John said his decision to restore the order was only a holding operation until a full appeal court could hear the UK airline's appeal against Mr Justice Parker's ruling. That appeal will not come on before the next law term, which starts on April 12.

Sir John said that if Laker took further steps in the U.S. action in the meantime, they might lead to U.S. court orders being made, which could increase the difficulties that had arisen through the courts of both countries being concerned with the Laker litigation.

He said there had been an "understandable misunderstanding" on the part of Judge Green, who is dealing with the Laker case in the U.S. and who has recently been critical of the English court.

He appeared to have thought that the court had dealt with the merits of the Laker dispute, or with the question of which was the appropriate jurisdiction. That was not the case.



Jill noted

BARCLAYS 1982

Operating in more than 80 countries.

The Annual General Meeting of Barclays Bank PLC will be held in London on April 27th 1983. The following are extracts from the Address to the Stockholders by the Chairman, Timothy Bevan, for the year 1982.

There has been an unusual amount of comment about the results of almost all banks in 1982, with prophets of doom abounding, but I am glad to report to stockholders that the results of your Bank - one of the largest international banking groups in the world - were respectable - a pre-tax profit of £495 million against £567 million for 1981.

Bad debt provisions

The results, of course, are fundamentally affected by provisions for bad debts, which provisions are a charge against profits, and a word or two on this subject would not be out of place. Reflecting the strains of the world recession many commentators have analysed in great detail whether or not they are adequate, but this concentration on the total amount of a bank's provisions misses, I think, the point that bad debt provisions are not an end in themselves: they merely represent the allocation of part of the resources of a bank. In fact, the totality of capital and reserves is available to meet any liability of whatever kind. Secondly, international comparisons are misleading: in the UK - rightly, in my view - there are no hidden transfers to undisclosed reserves, nor, as regards specific provisions, is any form of averaging adopted. This is not the case generally throughout the world.

In your Bank the Directors decide in the circumstances of each case what provisions are necessary to meet expected bad debts. We use our own judgement and do not merely follow guidelines handed down to us by the authorities. Whilst Central Banks everywhere should take an interest in the level and method of provisions made by commercial banks, we must in the end reach our own conclusions as to how to run our business prudently.

Currently, with the world in recession it is inevitable that bad debts increase as some commercial customers, both at home and abroad, fail to survive the recessionary storm, although it is possible that at last this storm shows some signs of abating.

On the international front different factors have been at work. The world was harshly faced with difficult problems by the sharp oil price rises in 1974 and 1979. These led to huge sums accruing to the OPEC countries, while many oil-importing countries correspondingly experienced large balance of payments deficits. When many of them were in need of development capital the international banking system recycled surplus funds to those countries and for this it received the plaudits of official institutions. At the time the extent of the difficulties caused by the subsequent fall in oil and other commodity prices was not generally foreseen. With hindsight perhaps the international banking industry should have left more of the burden to institutions such as the International Monetary Fund, the Bank for International Settlements and Central Banks. But it did not seem that these bodies were ready to accept much of the load: it is only recently that these institutions have recognised their responsibilities.

What is certain is that if the OPEC surplus had not been recycled through one channel or another, the world's economic difficulties would have been greater still.

We have also played our part in the financial packages put together, principally under the aegis of the International Monetary Fund, in order to smooth the return to equilibrium of various countries, principally in Latin America and Eastern Europe. The rescheduling of some countries' debts - which has a parallel in the rolling over of company debt - is now held by some to be unwise; but we should remember that country debt rescheduling is not a new phenomenon. Between 1956 and September 1982 no less than 80 reschedulings were accomplished without much comment and without any significant loss of interest.

It is true that this is not the only consideration, for as with commercial customers, rescheduling will lock up funds which might have been put to better use elsewhere, but the collapse of important borrowing countries would be in no-one's interest. For example, around 20% of the goods exported by the industrial world are sold to non-oil developing countries and British exports and contracts to these countries represent 18% of our export earnings. It is also worth recollecting that had not financial aid been given to the devastated countries of Europe after the last war, not obvious good risks then, the present recession might seem more akin to a boom.

As it is, your Bank has not been over-extended by international lending. Our total Group cross-border exposure excluding the OECD countries (the principal industrialised countries in the West) which present few problems, represents under 10% of our total

Group assets and, again excepting the OECD countries, in no one country have we an exposure of more than about 1% of our total assets. In the case of Comecon countries our total exposure is below that figure: that for Poland, for example, represents less than 0.1% of our balance sheet. I believe, therefore, that our risks - and there is a risk in almost every banking operation - are well spread.

United Kingdom

In the UK the company insolvency rate has been double that in the previous recession of 1975. Nevertheless we have been doing our best to help our customers and the communities in which we operate to survive today's difficult times. We are continuing to direct our lending where it can be put to best use, but in particular towards those businesses which we believe can survive the recession with our support, and help to refashion the economic and industrial structure of the nation. On occasion this takes us into deeper involvement than at one time we would have thought wise, and of course, we cannot always be right in our judgement of who will survive, but we benefit greatly not only from the professional skills of our managers and staff, but also from their deep knowledge of their customers and the environment in which they operate.

In addition to this normal banking assistance to industry, we have gone out of our way to save jobs and to create them. In essence we recognise that a bank is in the long run only as healthy as its customers; if the community is sick, we will not prosper either.

It is not only finance which we have made available, though much money has been put into small business development, technological research, and community projects. We have seconded some four dozen staff, set up training programmes, and in the last year given advice - free of charge - to over 2,000 companies to improve their financial and planning systems.

While we readily accept our social responsibility, by providing continued support for difficult cases, it is inevitable that there is a potential cost involved, not only in the conventional commercial sense, but also in the possible lock up of funds that may be needed instead by the growth points of the economy. On public as well as commercial grounds, therefore, there must be a limit to such assistance; and we welcome the signs that companies are turning back to the new issue market in order to strengthen their balance sheets, just as we ourselves have done with our two loan stock issues in 1982.

In the UK a major innovation last year was our return to Saturday morning opening in over 400 branches in order to give our customers the kind of service they merit. This exercise, carried out by Bank staff on a voluntary basis, has been a success and has resulted in a useful gain of accounts.

A reason for this move is our desire to attract more deposits from Building Society customers - we had been successful in doing as much mortgage business as we wanted, but attracting these deposits was proving more difficult, and a competitor of both of us is the Government in the form of National Savings. Incidentally, the deposit base of your Bank at home is changing - in 1970 just over half of our deposits were on non interest bearing cheque accounts - these are now down to about a quarter.

The result is that we now have to charge more for our money transmission business - or in plain terms running an account - as we do not have the benefit of the free balances we formerly held. Three thousand banking offices in the UK are not cheap to run, despite the benefits of massive automation and computerisation.

International

Internationally, 1982 was for us primarily a year of consolidation, although we have opened offices in two new countries - Colombia and Gabon. It should be remembered when considering our international operations that the great majority of our overseas business involves the taking in of deposits and lending them out within the same country. We also finance a large volume of international trade - particularly through export credits and project finance - as well as providing short-term credits and foreign exchange facilities.

The world recession that has followed the jump in oil prices of 1979 has been deeper and much more protracted and has led to greater pessimism than that which followed the oil crisis of 1974. The recession has been drawn out partly because the world's experience of severe inflation caused inflationary expectations to become deeply engrained, so that anti-inflation policies have had to work harder. The widespread increase in unemployment, from a level that was already high, is tragic, but governments would be wrong to give up the struggle against inflation. As Keynes once said "Lenin was certainly right. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency."

The campaign against inflation has at last gone well. The battle

against unemployment will be harder, for it cannot be won by any single policy, least of all by any country acting in isolation and certainly not by Britain alone, with nearly one-third of our production dependent on world markets.

International co-operation is needed to recreate a sense of world financial stability and in particular to produce a further fall in interest rates in real terms. At home there is no substitute for business enterprise and restraint in wage awards if Britain is to be restored to the front rank of industrial achievement and in particular if industrial profitability is to be raised above its low level of recent years. Productivity must continue to improve.

Fortunately there are now some signs of an economic upturn, but we all have to contribute if sustained progress is to be made. Banks must raise their own profitability to strengthen their capital ratios and so put themselves in a more comfortable position to absorb further risks in an uncertain world.

Lending margins in some classes of business will have to be widened, but I hope by means that will not affect unduly our smaller industrial customers, and, as industry has done, we have to reduce costs. You will see a modest step in this direction in this Report and Accounts, which have been more economically produced. Banks must also be receptive to the probably unfamiliar needs of new industries. For one thing is clear, a return to prosperity and high employment cannot be achieved merely by retracing old industrial tracks. The world of banking will be no exception to this.

Group Structure

During the year we have also held our first Board Meeting abroad - we visited Brussels - not only the capital of Belgium, but also the centre of the EEC. On a more domestic plane the UK Board met in Birmingham.

You will have seen that we have made a preliminary announcement about modernising the structure of your Group.

The Group operates principally through two companies - Barclays Bank in this country and Barclays Bank International abroad, though there are of course many other important parts of the Group. The legal division between the two main companies does not make it easy to satisfy the demands of multinational customers and also creates expensive capital problems. We therefore propose to merge the two companies, and it is likely that we shall again require an Act of Parliament, as we did for the merger with Martins Bank. For this reason it is unlikely that the process will be completed for about eighteen months. In the end we hope that the result of creating a unified bank will be better service to our customers and better career opportunities for the staff of the Group.

Inevitably any organisation is only as good as the people in it; and, once again, I would like to assure stockholders that they are very well served by their staff. I recently received a letter from a customer complimenting two branches of the Group on a transaction which he detailed, and finishing with the words: "I thought I would share with you a bright, efficient, speedy and thoroughly pleasant commercial yet personal experience." This seems to say it all.

Timothy Bevan

Timothy Bevan, Chairman of Barclays Bank PLC

The Barclays Bank Report and Accounts gives a comprehensive review of the Group's activities in the UK and around the world. To obtain a copy, just send this coupon to the address below.



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BARCLAYS

Post to The Secretary, Barclays Bank PLC, 54 Lombard Street, London EC3P 3AH.

REGISTERED OFFICE: 54 LOMBARD STREET, LONDON EC3P 3AH. REG. NO. 48839.

International Treasury Management, Ltd.

Young Foreign Exchange Dealers

The Hongkong and Shanghai Banking Corporation and Marine Midland Bank have formed a joint venture to offer a wide range of treasury management services to corporations, financial institutions and government agencies around the world. The new company, International Treasury Management, Ltd. (ITM), has offices in London, New York, Singapore, and Hong Kong and arranges currency and interest rate swaps and long-term placements, provides financial futures advisory services and is a market leader in foreign exchange options.

We are looking for young Foreign Exchange Dealers for our London Office who must have at least 1 year's interbank dealing experience, to liaise with corporate clients and to transact on their behalf.

As we need Dealers who will be conducting client visits within 18 months, we are looking for potential high flyers, with strong communication skills, and are therefore prepared to negotiate a remuneration package which will attract the best talent available.

Please apply in confidence to: Teresa Andrews, Personnel Officer, MARINE MIDLAND BANK, N.A., 34 Moorgate, London EC2R 6JR. Telephone: 01-6381788

International Treasury Management, Ltd.

A partnership between The Hongkong and Shanghai Banking Corporation and Marine Midland Bank

Manager Performance Letters of Credit

Bonds and Guarantees

The Chase Manhattan Bank, N.A. is one of the world's leading International Banks with a worldwide network of Branches.

Due to an increased emphasis on our Trade Banking Business, we are seeking an individual with the skills and experience necessary to manage our Performance Letter of Credit, Bonding and Guarantee Unit.

It is essential that applicants (male or female) possess a comprehensive knowledge of the classical guarantee instruments used in International Trade, and an appreciation of the related legal aspects. The successful applicant will possess management skills and the ability to work under pressure.

A salary commensurate with the importance of this position is offered, together with the benefits associated with a major Bank.

Please write with a comprehensive C.V. to: Mark Winkle, Personnel Officer, Chase Manhattan Bank, N.A., Woolgate House, Coleman Street, London EC2P 2HD.

CHASE

- Unit Trusts - Investment Marketing Managers

Fidelity International Management Ltd., the rapidly expanding U.K. unit trust and investment management company in the £10,000 million Fidelity International investment group, has two vacancies for Marketing Managers.

PRIVATE CLIENTS

The successful candidate will be expected to develop and expand Fidelity's Investment Advisory Service for private clients. This involves explaining Fidelity's investment thinking and strategy, both on the telephone and by letter, to existing and potential clients, advising on suitable unit trust investments to meet their requirements and helping to plan and organise investment seminars.

Applicants in the age range 25-45 should be highly articulate, concise and have a flair for communication, particularly on the telephone. Knowledge of investments is also required and some experience in banking or private client portfolio management would be an added advantage.

DIRECT MARKETING

The successful candidate will be expected to assess, co-ordinate and expand Fidelity's current direct marketing activities to existing clients, help set up a new computerised direct mail system and assist with research, planning and co-ordinating direct marketing campaigns in new areas.

A number of years' experience in direct marketing is essential, preferably in the financial area. Applicants, in the age range 25-40, should be innovative and enthusiastic and be able to demonstrate success in the implementation of direct mail campaigns.

Public marketing is a successful and expanding part of Fidelity's overall marketing activities and applicants should have the creative ability, motivation and management skills to develop these areas further. Total remuneration for both positions (including bonus, non-contributory pension scheme and private health insurance) will be in the range £14,000-£17,000. Career prospects are excellent.

Please send a full C.V. to: Barry Bateman, Director, Fidelity International Management Limited, 20 Abchurch Lane, London EC4N 7AL



**Fidelity
INTERNATIONAL**

FOREIGN EXCHANGE ADVISOR

c. £25,000

One of the largest chains of retail stores are seeking to recruit a currency specialist to advise their treasury area on foreign exchange transactions. Candidates must possess a wide overall knowledge of world financial markets and ability to organise a foreign exchange team.

Please ring CHRIS WENBORN,
ZARAK HAY ASSOCIATES
638 9205/628 0494

CHIEF DEALER

Applications are invited for the position of Chief Dealer in the London office of a well established and rapidly growing Asian bank.

Applicants will have had at least six years' experience in foreign exchange and money markets including arbitrage and C.D. trading. A good knowledge of general banking, for Eastern and Asian markets, and financial futures would be an added advantage. The ability to motivate staff, and to maintain close relationships with the banking community and corporate customers is essential.

Salary will be commensurate with experience and ability.

Please send full career details to:

Box A8158, Financial Times
10 Cannon Street, London EC4P 4BY

ASSISTANT MANAGER

Member firm of London Stock Exchange require a person with thorough working knowledge of gilt office procedures within a computerised environment. Salary and pension negotiable.

Please reply Box A8178, Financial Times,
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STOCKBROKING

Experienced personal assistant required for the Senior Partner of a leading London firm. Must be fully competent to handle computerised client portfolios and talk to and deal for private and institutional clients. Two or three years' stockbroking experience are essential.

Candidates will probably be aged 25-30, male or female. Write giving details of experience and salary expected to Box A8179, Financial Times, 10 Cannon Street, London EC4P 4BY.

Merchant Banking Financial Analysis and Evaluation

Samuel Montagu & Co. Limited is seeking an experienced credit analyst to be responsible for the preparation and credit appraisal of financial accounts of banks/financial institutions and corporate entities. The work will also involve the preparation, evaluation and presentation of submissions to the Credit Committee.

The successful applicant probably in the age range 24-30, will have had at least 3 years' analytical and business experience preferably gained with a North American bank. Languages and previous overseas experience would be an advantage. This is a progressive position with the possibility of an overseas posting at a later date.

A competitive salary will be offered together with the usual substantial staff benefits associated with a major merchant bank.

Please apply in confidence with all relevant details to T.J. B. Locker.

Samuel Montagu & Co Limited,
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Merton House, 70 Grafton Way, London W1P 5HN
Executive Search and Management Consultants

Carreras Rothmans

Assistant Investment Manager Pension Fund

Basildon, Essex

c. £11,000

The Carreras Pension Fund, with current assets of approximately £100 million, requires an assistant for the Investment Manager. He/she will understand all aspects of Fund management and contribute significantly towards the day-to-day running of the portfolio.

Applications are invited from persons with a basic training in security analysis and some experience of the practical problems of investment.

The Company offers a generous holiday allowance, excellent pension scheme, subsidised canteen facilities, life insurance and medical cover.

Please write for an application form to: Barry Roberts, Personnel Officer, Carreras Rothmans Limited, Christopher Martin Road, Basildon, Essex.

Previous applicants need not re-apply.

Investment Analysts

LONDON

up to £13,783

The Pension Funds Investment Department of the British Gas Corporation has a vacancy for two Investment Analysts to work with a small team based at High Holborn. The funds under management are valued at £150 million with a net cash flow in excess of £200 million.

The Analysts will be expected to meet and develop good relationships with both stockbrokers and senior company management and assist in the day to day running of the fund. Progression to fund management within a reasonable period will be actively encouraged.

Candidates should have a relevant degree, or professional qualification, or a minimum of two - three years experience of research within a stockbrokers or similar organisation.

Salary will be in the range £12,125 - £13,783 p.a. (including Inner London Weighting). Working conditions are good and the benefits are those normally associated with a large progressive organisation.

To apply, please write, quoting reference F/01960/FT, giving full personal and career details to: Assistant Personnel Manager (HQ Services), British Gas, 59 Bryntons Street, London W1A 2AZ.

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01-606 6834

Institutional Sales - Futures Executive

A vacancy exists in our newly formed Financial Futures Dealing Operation for an Institutional Sales Executive.

Candidates should ideally be in their mid-20's, preferably graduates, with experience of dealing with institutions in a broking and analytical capacity. Knowledge of US Money Markets and technical analysis would be a definite advantage.

Salary will be commensurate with experience and ability.

Please contact:
Robert Edwards,
R P Martin Futures Limited,
4 Deans Court, London EC4V 5AA
Telephone: 01-600 8691

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If you are an able, experienced executive or professional person, yet somehow are not making the most of your potential, perhaps you need a new approach to your career. To learn how 'slightly used' executives have profitably renewed their careers, telephone for a free, confidential appointment with a consultant, or send us your c.v.

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We are also specialists in 'Outplacement' for organisations, through our affiliated company Lander Corporate Services Limited.

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FINANCIAL TIMES NEWSLETTERS

and PUBLISHERS

We are looking for a Business Director for the Business Reports Division, which consists of 20 newsletters and a range of business publications. The Business Director will have full commercial, editorial and operational responsibility for this profitable and growing area.

The successful candidate will have editorial and entrepreneurial flair, and should be able to demonstrate a track record of success in profit-centre management, preferably in a business publishing environment.

Salary: by negotiation, in the area of £20,000 plus car and other benefits.

Applications to:
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Director, Business Reports Division
FINANCIAL TIMES BUSINESS ENTERPRISES LTD
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Applicants should possess a recognised accounting qualification with a minimum of 5 years' relevant accounting experience.

Successful candidates will be offered an extremely attractive salary plus fringe benefits, preliminary interviews will be carried out in London and interested applicants should forward a full résumé of education and experience, which will be treated in the strictest confidence:

Barbara Mottram, Personnel Department, Brown & Root (UK) Ltd.,
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Applicants are kindly requested to send their curricula vitae and references to

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 Augustastrasse 30, 4000 Düsseldorf 30, Federal Republic of Germany
 and to indicate their present annual salary. Interviews will be held in London the second week of April.

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The Edmund A. Walsh School of Foreign Service, Georgetown University, announces a search to fill the Marcus Walmsley Chair in International Financial Diplomacy. Applications are invited from individuals who have distinguished themselves in the field of international economics and finance, banking and business-government relations combining practical experience with demonstrated academic achievement. In addition to undergraduate and graduate teaching (with a focus on international financial markets), the Chair holder institutions banking transaction, public policy and financial management training will co-ordinate the School's extracurricular activities. The appointment will be made at the full professor level at a salary commensurate with seniority and qualifications. Applications should be submitted by April 30, 1983 to:

David D. Newsom — Associate Dean
 School for Foreign Service
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Jeffrey

GROUP ECONOMIST

We offer this outstanding opportunity to an experienced Economist to join our Mineral Economics Division at Head Office, Johannesburg.

The incumbent will head up a small Economics Section which provides an economics service to the Group. In addition the Group Economist also represents the Group on committees, commissions and at conferences.

The activities of the Economics Section involve the analysis of national and international economic and political trends and advising on their interaction and likely effect on Group activities. Some areas of particular interest include the mining sector, commodity markets, exchange and interest rates, as well as the stock market.

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Written applications, including full personal details, may be submitted to Mr J Scholes

Consolidated Gold Fields PLC

49 Moorgate London EC2R 6BQ

Alternatively, phone Mr J Scholes on (01) 606-1020 for more information.

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U.S. Company with extensive European operations seeks individual with minimum 10 years experience in International finance and accounting management. Fluent English, French and Spanish necessary.

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As leaders of a team of examiners they will be involved in review of loan portfolios and cover all aspects of retail and money market banking operations. They will be expected to form an opinion on the soundness of bank assets, profitability of its operations, quality of management and internal controls.

EXPERIENCE REQUIRED

Candidates must be qualified accountants (ACAS or equivalent) and have at least five years' post-qualification experience in an audit firm as external auditors for client banks or senior bankers with a minimum experience of 10 years, at least five of which as internal inspectors.

TERMS

The contract will be for an initial period of two years, renewable thereafter annually. Salary will be negotiable in the range of \$32,000-\$50,000 according to the candidate's experience, free of tax. In addition, free furnished accommodation, medical expenses and other attractive benefits will be offered. Details of such benefits will be discussed at interview.

Please send c.v. with full details to:

 Box A8176, Financial Times
 10 Cannon Street, London EC4P 4BY

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I—Conditions:

1. The applicant should hold a Master's Degree in Business Administration (Banking) or its equivalent as a minimum qualification requirement.

2. Experience of not less than 7 years in Banking and Bank training with previous experience in programming, planning and designing of courses and its execution.

3. Should have a good command over spoken and written Arabic and English languages. Priority shall be given to those with previous knowledge of the Middle East.

4. Age should not exceed 50 years.

II—Job Specifications and Advantages:

1. Salary shall range between U.S.\$70,000 and U.S.\$90,000 per annum, plus other benefits.

2. Suitable furnished accommodation shall be provided.

3. Free Medical care in the U.A.E. for the employee and his family.

4. A suitable car shall be provided.

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III—Date of Applications:

Applications with photocopies of qualifications and experience certificates should be received not later than 30.4.1983 addressed to—

The Governor, UAE Central Bank, P.O. Box 854,
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Medium-sized international corporation, headquartered in the U.S. with extensive operations in the industrial goods field, seeks a Controller for its European headquarters.

The European HQ team is responsible for conducting the business of one of the corporation's divisions in the geographical area of Europe, Africa and the Middle East.

This is an outstanding opportunity for an International Controller, experienced in modern planning, accounting, financial and E&OP management methods. He will be working closely with the Divisional General Manager to whom he will report.

The successful candidate will either be a qualified accountant or have a degree in economics or HEC. A minimum of five years' experience in an international management position is a must. Excellent command of English and fluency in German and French are required.

Please send your application with full details about education and business experience under confidential cover to:

 J. P. Barthélémy
 BLACKHAWK S.A.
 13 RUE DU TANIN
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CHIEF EXECUTIVE OFFICER

Our International Co. with 7,000+ employees needs the proven Chief Executive. You will have total world wide responsibility for all operations, and will report to the Board Chairman. Your past experience must include proven performance as CEO of a substantial company. This position is based in Europe.

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Please apply to Peter Barnett, quoting reference 8253 at Barnett Consulting Group, Providence House, River Street, Windsor, Berkshire SL4 1QT. Tel: Windsor 56723.

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APPOINTMENTS WANTED
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Resumes including a daytime telephone number to R C Henry, Executive Selection Division, Ref. H013.

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Offices in London & Birmingham

Mason & Nurse
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Chartered Accountant

Reading Berkshire

Kellock Factors Limited, a subsidiary of Kellock Trust PLC and an associate company of Bank of Scotland, are seeking a young Chartered Accountant to fill the post of Chief Accountant at their Reading headquarters. Since incorporation in 1976 the company has grown steadily in turnover and profits each year. In 1983 turnover will exceed £90,000,000.

This unique post offers an exciting challenge and excellent rewards for a recently qualified Chartered Accountant who, by a first class academic record and date, has demonstrated the will and ability to move into management positions with a rapidly expanding successful diversified financial services group. It is expected that the appointment will lead within a year to the position of Group Company Secretary, reporting directly to the Managing Director and becoming part of a small successful management team.

Please telephone or write for further details and an application form to:

Benjamin J Allen MA MSA FCA
Managing Director

Kellock Factors Limited
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Significant recent growth and a substantial expansion programme have created this opportunity for an ambitious qualified accountant to join a major retail venture. This senior management accounting role requires a bright dynamic individual aged under 30 with a background in either the profession or industry. Duties will include budgeting and financial analysis over a wide range of business lines and activities. Other personal attributes essential for the position include:-

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For a high-calibre individual able to demonstrate significant potential the company offers a competitive salary package and senior financial or commercial management progression.

Candidates should write to John Sheldrake enclosing a comprehensive curriculum vitae, quoting ref. 914, at 31 Southampton Row, London WC1B 5HY.



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Project Accountant

Age 25-30

Central London

Our client, an international oil company, currently seeks a highly-motivated accountant for a challenging line-management position based in its London Head Office.

Candidates will have industrial experience gained in the oil/heavy engineering/construction sector. This role includes responsibility for a major offshore project, accounting and operational finance functions in an international environment; consequently multi-currency transactions are involved. Essential personal qualities will include:-

- ★ An ability to communicate at all levels since there is constant liaison with management and staff supervision is also involved.
- ★ A positive professional approach and technical expertise to meet tight deadlines and achieve accurate reporting of financial targets.

★ Some knowledge of a major European language is desirable and courses will be arranged for the individual if necessary.

A highly competitive salary is offered commensurate with experience, accompanied by a comprehensive benefits package.

Candidates should write to Nigel Hopkins, F.C.A., enclosing a detailed curriculum vitae, quoting ref. 913, at 31 Southampton Row, London WC1B 5HY.



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Experienced Accountant Public Sector Consultancy

Salary Negotiable +Car

City

Pannell Kerr Forster Associates, the rapidly expanding management consultancy practice of an international accounting firm, requires an experienced qualified accountant to specialise in public sector consulting work both in the UK and overseas.

The work involves the design and implementation of management information, planning and control systems, organisational studies and efficiency reviews. You will be joining a multi-disciplined team, and should also have the opportunity of working with our specialist economic, tourism and hotel consultants. The position will involve undertaking overseas assignments, both short and longer-term, for which substantial allowances are paid.

You will have had direct exposure to public sector accounting within a substantial organisation either in central government, or in a consulting capacity. Experience of international funding agency work would be advantageous.

Candidates should be self-motivating, have good communication skills, both oral and written, a capacity for objective problem-solving, and the ability to work effectively with management and staff at all levels. Previous consulting experience, whilst desirable, is not essential.

Salary and conditions of employment are competitive, and will include a car and non-contributory pension scheme. If you feel that you have the necessary qualities and experience to work in this challenging environment, please write in complete confidence, submitting a curriculum vitae to:

Peter Childs
Pannell Kerr Forster Associates
Lee House
London Wall
London EC2Y 5AL

Pannell Kerr
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Financial Director (Designate)

E. England Poultry Products

In an environment of acquisition and development in a relatively small company the management look to their financial leaders for increased commercial acumen, the development of systems and management controls, longer standards of forecasting, budgetary control and cash management, and cost accounting that maintains margins, whilst remaining competitive in a hectic market place. This position will involve you in the whole gamut of such functions for our client's two-site operation involving value added products.

Between 25-40 years and fully qualified, candidates should have held a senior financial position, preferably in the poultry industry. There is little room for specialisation and preference will be given to applicants demonstrating strong general management potential.

The salary will be negotiable but will interest candidates currently earning in excess of £14,000; a company car is provided and pension, sickness and relocation schemes are in operation. Career prospects, including a future share in the equity of the company are exceptional.

Write, enclosing a C.V. to Mrs. E. Harrowven, E.R.A.S. 16 Thorpe Road, Norwich NR1 1RY.

ERAS Executive Recruitment
Advisory Services

COMPANY NOTICES

ANGLO AMERICAN GOLD INVESTMENT COMPANY LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN that the forty-fifth annual general meeting of the Company will be held at the head office of the Company, 100 Grosvenor Gardens, London SW1, on Friday, April 22, 1983, at 0900 hours, for the following purposes:

1. To receive and consider the annual financial statements of the Company for the year ended 31 December 1982.

2. To elect directors in accordance with the provisions of the company's articles of association.

3. To consider and, if deemed fit, to pass, with or without modification, the following resolution as an ordinary resolution:

"That the directors are hereby authorised

1. To allot and have all or any portion of the 247,988 unissued ordinary shares of £1 each of the Company, in the manner and for the purposes set out in the notice of the meeting.

2. To allot and have all or any portion of 11,375 shares in the capital of the Company, at such times, to such person or persons, company or companies, such time or times, as the directors may determine.

3. To make arrangements on such terms and conditions as they may deem fit for the subscription by underwriters of

(a) any shares in the Company offered by way of rights issue; but not less than 100 shares in each case.

(b) any shares resulting from the consolidation of any fractional entitlement in respect of any shares issued in pursuance of a rights issue.

(c) any shares resulting from the issue of shares in exchange for shares in the Company or in respect of any rights issue.

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THE ARTS

Theatre

LONDON

A Map of the World (Lyttelton): British new play by David Hare, set in a hotel. Friday 3rd April. A European conference on world peace has been convened. Chill, meticulous production by the author has strong performances from Roshan Seth (Neuro in the film *Gandhi*) as a scientist, and Bill Nighy as a journalist and David Quigley as the actress in the middle of an ideological showdown. (028 22222).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast. Michael Maloney's brilliant direction of his own shenanigans on tour with a third-rate farce is a key factor. (030 6888).

Yakety Yak (Astoria): Enjoyable potpourri of songs by Lieber and Stoller, evocative of the 1950s and '60s, exuberantly performed by a Liverpudlian cast of brothers and The Darts. (037 6359).

The Real Thing (Strindberg): Fascinating, enjoyable new Tom Stoppard play which examines a playwright's attitudes to work, music and love in characteristically well-written, complex vein. A touch of serious levity is well struck in Peter Wood's production and the performances of Roger Rees and Felicity Kendal. (030 6894 0143).

Other Places (Cottesloe): Triple bill of Harold Pinter plays superbly directed by Peter Hall. *Pinter* breaks new ground in *A Kind of Alaska*. Judi Dench outstanding as a woman coming out of coma after 29 years and accelerating from small girl to adult maturity in half an hour. (020 7202 2222).

Twelfth Night (National): Embarrassing play that sets the battle of the sexes in a wrestling ring. This fringe success has re-opened the embattled City of London venue. (236 5568).

The Pirates of Penzance (Drury Lane): Ridiculously vulgar Broadway import that site Gilbert and Sullivan on a whoopee cushion. One or two brilliant set pieces, but is all this strenuously artful camping about really preferable to the prime stasis of *D'Oyly Carte* tradition? (030 6106).

A Chorus Line (Ambassadors): Moving, unspectacular account of the love affair by correspondence between a New York Anglophile,



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FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8854671
Telephone: 01-2488000

Thursday March 31 1983

The new U.S. arms offer

THE TABLING of new American proposals in the arms control negotiations in Geneva is a constructive step, which may be prove useful in propaganda as well as in substantive terms. But it cannot be counted on to lead to any rapid movement towards an agreement between the U.S. and the Soviet Union, and may therefore be unable to forestall continuing agitation and controversy in Europe.

Although the new American formulation is expressed as a set of principles rather than as a set of numbers of weapons, President Reagan has made it clear that the objective must be significant reductions both in the number of Soviet SS 20 missiles which are already deployed, and in the number of cruise and Pershing II missiles planned for deployment by Nato. The fact that Mr Paul Nitze, chief U.S. negotiator, has been moved to a specific target figure should mean that he will have greater flexibility to explore alternative options with his Soviet counterpart.

Yet these detailed issues are overshadowed by the more fundamental question raised by the apparent reversal of U.S. strategic nuclear policy, as outlined in President Reagan's controversial speech last week—has always been fine in theory. In practice, there are however two overriding problems: how to pump enough energy into a narrow beam and how to avoid dissipating it again as it fans out like the light from a torch over long distances.

Many of the best scientists involved in radar development in the Second World War turned afterwards to the design of accelerators—"atom-smashers"—generating powerful beams capable of shattering atomic nuclei into ever finer fragments. This was science of the most esoteric order, advancing knowledge of the fundamental structure and bonding of matter. But politicians kept voting huge ever-increasing sums for accelerators.

In fact, the breakthrough came with a beam of a different kind, in 1960, when Dr. Maiman demonstrated the laser in the California laboratories of Hughes Aircraft, a major U.S. defence contractor. The laser amplifies and refines the band of electromagnetic radiation known as light-visible, infra-red or ultra-violet light.

The laser can direct this light at a single wavelength, at greater intensities than has been possible before, and as a beam which fans out far less than ordinary light.

Engineering development over 20-odd years has advanced the laser to a point where today it can amplify beams of widely different wavelengths and, in the case of the infra-red laser, it is as powerful as many kilogrammes of TNT.

The major attraction of any beam compared with any present-day weapon, including "intelligent ordnance," is its speed. A beam can travel up to 10,000 times as fast as a missile. No conceivable development in despatching warheads could bridge so huge an advantage in speed.

Beams can already be made powerful enough to melt any metal and factories use electron beams to cut and weld metal. Ten years ago the U.S. Air Force shot down a drone aircraft by laser beam. More recently it has shot down

Schedule debt at substantially increased spreads. Given the risk in rescheduling, the report argues, the banks should make sufficient provisions to show lower rather than higher profits on such loans. It adds that a convention should be established that in a general rescheduling banks should not be entitled to ask for more favourable spreads than previously obtained unless the previous spreads were unusually low.

Weakened

It is hard to disagree with any proposal for longer term funding. The problem with bond market financing, however, is that the banks would be left with the lower quality loans and weakened balance sheets. Guidance from the IMF and the World Bank for the less attractive prospects, meanwhile, constitute a bailing out proposal that is hard to reconcile with the committee's views on the role of lenders of last resort.

"Imprudent lending," it suggests. In classic disciplinary style, "should be penalised by demanding a change of management, where it has been at fault, before a rescue operation is mounted and by ensuring that losses reduce the value of shareholders' equity before there is any call on the public purse."

The fact is that spreads in syndicated lending were far too depressed in the heyday of petrochemical recycling. For those banks that are not in the happy position of being able to raise new equity, as Standard Chartered did yesterday, increased spreads are the only path to a stronger capital base. In these circumstances, the job of the regulator is not to rig the market by laying down norms for profit margins, but to ensure (as the committee argues elsewhere) that proper provisions are made and that standards of disclosure are improved.

There is much to criticise both in past lending habits and in the present approach to provision (although the British banks are far from being the worst offenders here). But the case for imposing depressed profit margins on banks is even less plausible than the case for a wholesale bail-out.

The committee's most novel assertion, however, is that the banks should cease to re-

targeted on China. Understandably, the U.S. wants to ensure that Moscow cannot shift mobile SS 20s back within range of western Europe in times of potential crisis. But it will be hard to negotiate a formula which imposes limitations on the Soviet Union in the far east, yet none on the Chinese who play no part in the Geneva negotiations.

Questions

In any case, the Soviet Union may well stall in Geneva, at least until the end of the year, in the hope that popular resistance in Europe may yet prevent the deployment of new Nato weapons, without requiring any counter-balancing concessions from Moscow.

Yet these detailed issues are overshadowed by the more fundamental question raised by the apparent reversal of U.S. strategic nuclear policy, as outlined in President Reagan's speech last week. In the past ten years all arms control negotiations between the super-powers have been based on a common understanding that the large-scale deployment of anti-ballistic missile (ABM) systems could be destabilising and dangerous. This common understanding has, at the very least, been shaken by President Reagan's television speech.

It may be argued that President Reagan explicitly committed himself not to undermine the 1972 ABM treaty; that he was only speaking of a dim, distant and unpredictable future; and that, in the meantime, there has been no change in U.S. nuclear policy. It is also true that both super-powers have for some years been researching the potential of space-age technology for weapon development.

Nevertheless, it is impossible to deny that in President Reagan's mouth these possibilities were expressed as an earnest aspiration, and that its fulfilment would necessarily involve the overthrow of the ABM treaty.

Engineering development over 20-odd years has advanced the laser to a point where today it can amplify beams of widely different wavelengths and, in the case of the infra-red laser, it is as powerful as many kilogrammes of TNT.

The major attraction of any beam compared with any present-day weapon, including "intelligent ordnance," is its speed. A beam can travel up to 10,000 times as fast as a missile. No conceivable development in despatching warheads could bridge so huge an advantage in speed.

Beams can already be made powerful enough to melt any metal and factories use electron beams to cut and weld metal. Ten years ago the U.S. Air Force shot down a drone aircraft by laser beam. More recently it has shot down

anti-tank missiles travelling at 500 mph; and late last year an elderly intercontinental ballistic missile.

That said, there are some fearsome obstacles for such "directed-energy" schemes to surmount before use could be made of them as an infallible umbrella against attack by fast-moving and manoeuvrable nuclear warheads. President Reagan himself acknowledged this. "It will take years, perhaps decades, of effort on many fronts," he said in his speech.

A proton beam of the kind

generated in the world's most powerful accelerators—about 1 cm in diameter—would spread to a circle of 3 km over a range of 1,000 km. Electrons, which are about 2,000 times lighter than protons, could be accelerated close to the speed of light and would spread to a circle of only 5 metres over the same range. Such a circle falls within the bounds of possibility as a weapon, some defence scientists say.

The Pentagon has a directed-energy research programme called Chair Heritage investigating such electrically-charged particle beams as they are known. It includes the development of a powerful electron beam "gun" at the Lawrence Livermore Laboratory in California, for study of beam propagation and target damage.

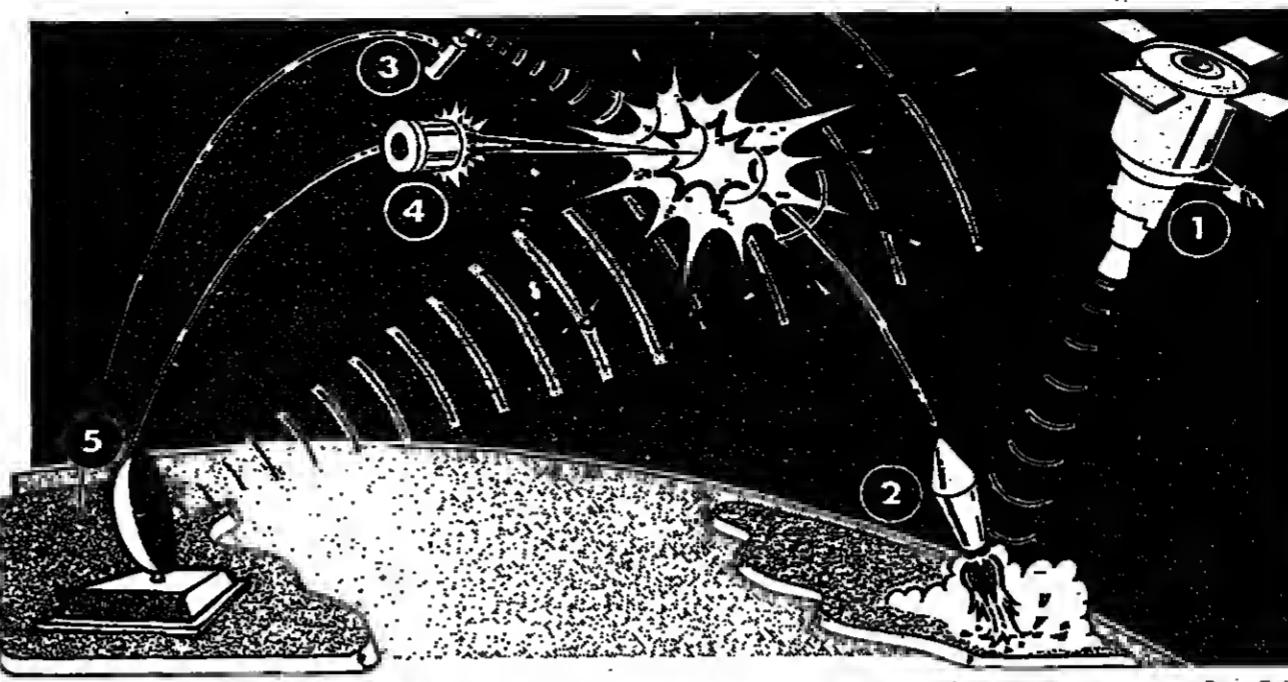
But such charged-particle beams encounter another problem with the earth's magnetic field. This will bend them just as surely as will a shell defect through a magnetic field.

Neutral (uncharged) particle beams—including laser beams—are immune to these magnetic effects. Of such beams

NEW WEAPONS TECHNOLOGY

The beam in the Pentagon's eye

By David Fishlock, Science Editor



U.S. scheme for testing a laser-beam "gun" as part of a potential ballistic missile defence system. Infrared sensors on the early warning satellite (1) give first warning of the heat radiated by the missile (2). On receipt of its signal, the infrared telescope (3) and laser interceptor satellite (4) are launched under radar guidance from the ground (5) to engage and kill the ICBM while it is still in its boost phase.

new U.S. nuclear programme launched last month aims to develop the SP 100, a space reactor capable of generating 20,500 kilowatts, as a precursor for space reactors of 100 megawatts or more.

Another anti-missile beam defence being studied is a shipboard defence against cruise missiles.

The problems of mounting big machines and providing enough power would obviously be eased.

To deliver enough energy to destroy such a missile, U.S. scientists are developing systems that first "pump" a hole in the air, using power from pulsed lasers or an accelerator.

Such a channel of hot, low-density air left in the wake of these pulses would provide an easier conduit for the cruise-destroying rays of electrons or protons by keeping them concentrated into a narrower beam.

A third use of the beam gun being studied is to defend U.S. missile sites from nuclear attacks.

Such an anti-ballistic missile defence would need a longer range than the shipborne system—long enough, in fact, to run into trouble with beam-bending by the earth's magnetic field.

Such beam systems as have

been developed are purely defensive; designed to counter nuclear warheads, not to replace them with a new offensive weapon.

The U.S., so far as is known, has not begun to assemble an anti-ballistic missile system using beams.

Missing factors include beam guns small, yet powerful enough to be placed in orbit; a power source, corresponding tracking and aiming systems, and control and

control to knit it into an effective umbrella.

But it has been disclosed that the Pentagon is funding research into a laser beam system for use as a weapon in space. This could conceivably be ready for flight testing by 1993, at a cost of \$300m. Major-General Donald Lamberton, responsible for directed-energy weapons to the U.S. Under Secretary of Defence for Research and Engineering, told a Congressional committee last week that new Pentagon studies would define for the first time the scope of the remaining uncertainties whether an effective weapon system can be achieved and the size of the risk involved in a greatly accelerated programme.

The Pentagon has so far committed about \$900m for the five years 1982-86.

The novelty of beam weapon systems—brand new weapon forms that have never been developed and deployed before," as Major-General Lamberton, called them—suggests that they will draw little upon existing weapons systems technology (although they may draw extensively upon NASA's Space Shuttle programme to test the components).

The power demands of such beam guns suggest that a new kind of nuclear reactor will be needed for space, capable of releasing tens of tonnes of energy equivalent to tens of tonnes of TNT in rapid succession.

HOW BEAMS WORK

Radiation is a natural process by which energy can get from place to place. Different sources of radiation produce waves of different lengths, which fit into a broad spectrum known as the electromagnetic spectrum. This spectrum includes the familiar rainbow of light rays, radio waves and X-rays. Directed-energy weapons of the kind described are weapons that generate radiation, focus it into a beam, and aim it over long distances at or near the speed of light.

radars and infrared sensors watching for the launch.

If they could be placed in geostationary orbit, static in relation to the earth's surface, two or three such systems could suffice. But the necessary distance of 40,000 km from the earth's surface—at which height one system could theoretically keep watch over half the world—would probably prove an impossible complication.

On the other hand, if placed in earth orbit, up to 1,000 km high, it may need up to 150 orbiting systems to provide the kind of global umbrella which can monitor all potential launch points on land and sea.

Even so, given the speed of an ICBM each beam gun would have less than seven minutes to engage and destroy a target as

it moves from a range of 10,000 km to a range of 1,000 km. It would thus have to pinpoint a target every 0.4 seconds with an accuracy of one part in 100,000. In this time it would have to detect each target, distinguish it from any decoys, aim and fire the beam, observe the result, and try again if necessary, and report the results back to a command centre.

Damning as these numbers undoubtedly must be to U.S. defence strategists, the directed-energy weapon in earth orbit is one of the new global anti-missile systems the U.S. Pentagon is studying.

The technology of miniaturising accelerators, using much more intense magnetic fields, is already making great strides in the leading atom-smashing centres.

The power demands of such beam guns suggest that a new kind of nuclear reactor will be needed for space, capable of releasing tens of tonnes of energy equivalent to tens of tonnes of TNT in rapid succession.

Men & Matters

Simon says

Simon Keswick, soon to be chief executive of Hong Kong's Jardine Matheson, has yet to prove his worth as an successor to the outgoing David Newbigging. But he is in a difficult position of earning a reputation for lechuguiness.

"When do you expect to become chairman?" asked my man on the spot, plumping as usual for the obvious question. "I think you should ask the board," smiled Keswick. "Are you not particularly well-placed to speak on behalf of the board?" my man parried. "In that case," clinched Keswick, "I have no comment."

Another hombnail-booted question from the Jardine family lobby powered Simon's rise? "Not aware of it," said the Keswick scion, descended from the Jardine half of the founding partnership and brother of former Jardine chairman Henry Keswick.

Local business gossip has it that the changeover was not altogether amicable. One visitor

was recently welcomed into Jardine's Connaught Centre headquarters by an executive

who suggested he "liked to do his entertaining in the boardroom, but the blood is still being bled down from the walls."

My recent prediction that Newbigging would stay another 18 months or so still looks fairly well on target. He hands over the executive reins to Simon Keswick in June, while remaining as non-executive chairman.

Local opinion is that the arrangement represents a

handover period. Simon is get-

ting his feet under the table,"

says one observer of the scene.

Another, Andrew David's

shoes," adds another.

It is also suggested locally that Newbigging's continued tenure as chairman serves to maintain his standing as a member of Hong Kong's Executive Council, the Governor's senior—and secretive—advisory body. Amid the ponderings over Hong Kong's long-term political future the Governor could scarcely afford to have his advisers fluctuate in tandem with Jardine Matheson's office politics.

Full sail

Peter de Savary, British-born Nassau-based entrepreneur is making the most determined effort to lift the "old mug"—as Sir Thomas Lipton called the America's Cup—since the ground

laptop. Lipton's have managed to do him proud. De Savary's latest addition to his growing armoury to win back the cup is Victory, a 65-foot, twelve-metre class yacht.

Victory 83 was unveiled yesterday by Princess Michael of Kent at Allday's Hamble yard. Allday's have managed to turn aluminium, a notoriously difficult material, to shape a yacht built of smooth and subtle beauty. She has been built in only four months but designer Ian Howlett's lines have been

faithfully reproduced.

Now, the performance of the

30-tonne yacht will be judged

against de Savary's other three

boats, Victory, Lionheart and

Australia during trials at New

port, Rhode Island.

Western railway in the early

days of his job, he and his

colleagues calculated that there

had been 14 ministers of trans-

port in 24 years.

"The chief engineer present

was only the 14th chief engineer

of the GWR since Brunel in

1836."

Tomorrow's car

After all the fascinating facts about Rolls-Royce that have appeared in its recent ads, the company had a bit of a problem finding more.

But, working round the clock, the marketing men have come up with some new items for all other ads in The Times today: "What's new in Whitehall," hands that feed him.

As incoming chairman of British Rail—which he leaves in September after seven years—Parker says his briefing for the job consisted of a Green Paper on transport policy. "This was greeted solemnly by all concerned—as befits the dead."

After trying to state while one Transport Secretary was promoted, and a second gave way quickly to a third, the policy was quietly buried. "That whole procedure took only six months, such is often the mobility of Ministers of Transport," he says.

Parker pervaded everything. "Is there any other business," Parker asks weakly, "that runs through the ministerial consciousness more than we do?"

Departments so often seemed diaphanous, he says, and through them "you can see the mandarin equivalent of Thug's Law, 'Victory' 83."

Parker recalls that his predecessor had five ministers within five years, with an effect on his health. "I've had every one of them but you can see that making the connection between political and railway instabilities needs a bit of British luck—and usually it's the train that takes the strain."

On a visit to the Great

ECONOMIC VIEWPOINT

Common sense on interest rates

By Samuel Brittan

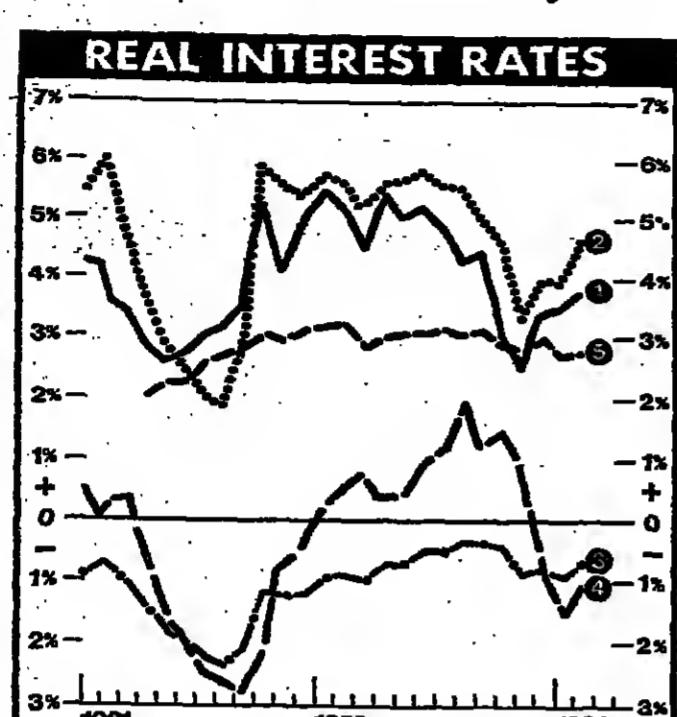
THROUGHOUT THE political spectrum and on both sides of industry, there reigns the belief that real interest rates should not be very high. (b) can be reduced by monetary policy and (c) must never be raised except at times of severe crisis.

The last point is particularly relevant as there is a better than even chance that British interest rates will have to rise before we are all much older. The easiest way to make the case is to look at what is likely to happen to U.S. interest rates if U.S. interest rates rise and British rates fail to follow. Mr Donald Regan's denial of "any sound reason" why short-term interest rates should rise merely makes one suspect that the pressures for a rise are pretty strong.

For it does seem that with the economic recovery now taking place in the U.S., the period of benign neglect of the monetary aggregates by the Fed is over. The overshoot of the U.S. monetary indicators can no longer be explained except to a small degree by technical changes in the banking system, and the Fed will be less and less willing to gamble on last year's fall in velocity continuing. While the U.S. Administration is running a \$200bn budget deficit, cheap money will be difficult to achieve in the U.S. or anywhere else, whatever U.S. Treasury Secretary Regan may proclaim.

But it is foolish to broaden the case by considering the mix between monetary and fiscal policy. Some years ago when the first signs of Britain's overvalued pound appeared, I pointed out that in conditions of general confidence, a high budget deficit could actually raise the real rate of exchange. For overseas funds would be attracted to finance it; the exchange rate would rise and the balance of payments would show a current account deficit offset by a capital inflow; all the conditions required to intensify de-industrialisation.

The association of a large budget deficit with a strong currency seemed far-fetched and implausible to many people when it was first put forward. But it is now almost orthodox. One of the main themes of the last U.S. Council of Economic Advisers' Report was that the U.S. budget deficit was raising interest rates and that this was strengthening the dollar, with



- 1—One-year interbank deposit rate, minus the expected rate of retail price inflation over the following year.
- 2—The London clearing bank base rate, plus 1 per cent, minus the expected rate of inflation.
- 3—As line 2, but with adjustments to allow roughly for the deductibility of interest payments for corporation tax purposes and for taxation of corporate income.
- 4—The building society ordinary share rate, net of tax, minus the expected rate of inflation.
- 5—The gross real redemption yield on 2 per cent Index-Linked Treasury Stock 1986.

adverse effects both on U.S. commercial relations, especially with Japan, and on the hard-pressed steel, auto and machinery manufacturers, struggling with foreign competition. The CEA advocated a reduced budget deficit, which would enable interest rates to fall without letting up on the counter-inflationary struggle and which would also lead to a lower dollar. Under fixed exchange rates, budget deficits crowded out domestic investment. With a floating exchange rate they crowd out exports and import-competing products as well."

These arguments apply when a currency is too high for comfort. Sterling on the other hand has fallen more than enough. If, then, it is desirable to put

the opposite in the fall of sterling the opposite change in the policy mix is required to that recommended for the U.S. That is, a somewhat larger budget deficit than planned may be accepted provided that it is combined with higher interest rates.

The Chancellor has hinted that he would take no action against a modest budgetary overshoot, and his instinct there is right. But it has to be balanced by a readiness and a readiness on the part of his neighbour at No. 10 Downing Street, to see interest rates rise if necessary. Otherwise inflationary risks may be run.

What of the argument that, as the monetary aggregates are within the Government's target range, no interest rate cut is appropriate? The quality of the information conveyed by the aggregates is not beyond suspicion.

Both the disparity between the credit and the monetary figures and the use of "overfunding" as an instrument of control raise at least a few questions. Even if the monetary numbers were perfect, they would still need to be considered together with the exchange rate. Just as a higher than expected exchange rate is an argument for monetary relaxation, a lower than expected exchange rate is an argument for some tightening.

The belief that real interest rates are very high is too deeply embedded to be easily shaken. The Bank of England Bulletin has nevertheless been conducting a quiet campaign to show the fallacy of this. The effective real interest rate is low and negative. In the accompanying chart taken from the Bulletin, several alternative measures of real interest rates are shown.

The only measures which give a reasonably high real interest rate are those which relate overdrafts or interbank rates to the expected rate of inflation (the latter is derived from 12-month forecasts by non-government forecasters).

The line which is consistently negative is based on the real overdraft rate, but is adjusted to take into account the impact of corporate taxation, including the deductibility of interest payments for corporation tax purposes. At no time since 1979 have real interest rates been

positives for the representative corporate borrower subject at the margin to corporation tax. The expected inflation rate used for these Bank of England corrections is derived from long-term forecasts. For the longer term the market's view of expected inflation can be estimated by comparing the yield on indexed gilts with that on comparable conventional stock. The Bank of England's calculations are reproduced in the table. But I suspect that the relevant marginal holder is the non-tax paying gross fund and the high coupon stocks are least disrupted by the taxation on gilt-edged capital gains. Moreover, I should have preferred long-dated stock to that expiring in 1987-88. The expected longer-term inflation rate is probably in the 6 to 8 per cent range.

There is another matter on which the Bank of England Bulletin throws interesting light, namely what has happened to real personal disposable incomes, subject on which there has been some confusion. On the one hand, we have heard that pay has continued to rise faster than prices, for those people who have jobs, thus contributing to unemployment among the rest. On the other hand, there have been reports of personal living standards falling since the Conservatives came to office.

The main reason for the disparity is that because of the fall in the number of jobs total income from employment has fallen (measured in 1975 prices) from nearly \$55bn in 1980 to just over \$52bn in 1982. Receipts from social security have risen from nearly \$124bn to over \$155bn, not enough to make up for the shortfall in

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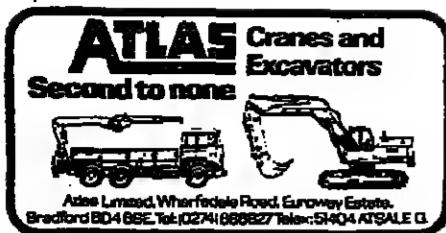
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FINANCIAL TIMES

Thursday March 31 1983

WARRINGTON-RUNNING
The right move
for growth and success
Ring Tim White on (0925) 33334

James Buxton interviews the chairman of Milan's Nuovo Banco Ambrosiano

Unravelling Calvi's tangled legacy

"WE ARE not worried by these lawsuits. We consider them quite groundless and we will contest them. But they disturb us because they hurt the image of the new bank and affect the morale of the staff that is trying to build it up."

Sig Giovanni Bazzoli, chairman of Nuovo Banco Ambrosiano, looks remarkably calm for the head of a bank which in the next few days is likely to have received visits from about 80 foreign banks at the bank's headquarters just behind La Scala in Milan, but Sig Bazzoli reads more with sorrow than with anger.

Nuovo Banco Ambrosiano was formed last August immediately after Banco Ambrosiano, run by the late Sig Roberto Calvi, was declared bankrupt and put into liquidation. The aim was to keep in being the Italian bank with its strong base in Northern Italy, pay off the justified obligations of the old bank, leave the liquidators of the old bank to unravel the mysteries of Sig Calvi's activities and start afresh.

The arrival of the first writs is another depressing reminder for Sig Bazzoli that Nuovo Banco Ambrosiano cannot easily evade the legacy of Sig Calvi. The writs are being issued on behalf of banks which lent money to Banco Ambrosiano Holding (BAH), the Luxembourg-registered subsidiary of the Milan Bank.

Whereas Nuovo Banco Ambrosiano swiftly paid back all the Eurodollar loans which Banco Ambrosiano had directly contracted, neither it nor the liquidators of the old bank would take responsibility for the debts of the Luxembourg holding. Both the Bank of Italy and the Italian Treasury maintained that BAH

was an independent entity outside Italian judicial control.

The creditor banks, however, argue that BAH was simply an instrument operated by Sig Calvi and Banco Ambrosiano in Milan and that the lending banks were told at the time that they were making loans to the Ambrosiano group as a whole, even though the loans were technically booked through BAH.

"The liquidators of the old bank are not liable," says Sig Bazzoli.

"And we are not liable for these debts of the old bank either. The clause in the Italian banking law which the foreign banks have cited against us (clause 54 of the 1936 Act) does not apply in this case," he says.

"It's only a part of the world banking community that's against us," says Sig Bazzoli of the 88 banks. "We have 1500 correspondent banks all over the world and good relations with them."

For Sig Bazzoli the writs are just one more of the "exceptional problems" the new bank has to confront. When the old Banco Ambrosiano was liquidated, a pool of seven banks, led by Banca Popolare di Milano, but including such banks as Banca Nazionale del Lavoro and Istituto Bancario San Paolo di Torino, bought the goodwill of the old bank for £350m (£241m) and set up the new bank. What made the deal attractive was that with it they acquired La Centrale, the finance company which owns two prosperous banks, Banca Cattolica del Veneto and Credito Varesino, the Toro Insurance Company (whose sale was agreed last week) and, less promising, a 40 per cent stake in the heavily loss-making Rizzoli publishing group.

The confidence of our old customers has returned. Of course not all have stayed with us, but when we have won some new ones. There is a lot of enthusiasm among the staff here."

The new bank is to be allowed to establish nine new branches, in exchange for closing down a similar number in less profitable locations. The Bank of Italy, which exercises iron control on bank branches, has given its permission, partly because it had been unduly restrictive in this respect with the old bank. "This development will absorb staff and give us a broader operational presence," says the chairman. There will be other measures to shed staff



Sig Giovanni Bazzoli:
'lot of enthusiasm'

through natural wastage and transfers to other banks.

But despite this Nuovo Banco Ambrosiano expects to lose between £250m and £300m in the period to June 30. This is without covering the £350m paid for the goodwill of the old bank. "We could write it off over anything from five to 20 years. What we'll probably do is to write it off in increasing annual amounts over ten years," says Sig Bazzoli.

"We hope that in the period to December 1984 there will be a reversal of the loss-making tendency," he says. This is important in May 1985 shareholders who had a stake in the old bank will be entitled to convert into shares the warrants which they are to be given as *ex gratia*.

The new bank decided to keep the old name to show it had nothing to hide. "We kept courageously the old name — perhaps our courage was excessive," says Sig Bazzoli. "At the moment there is no question of changing it. But maybe we have some doubts about it now."

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WRIT CLAIMS LUXEMBOURG ENTITY WAS 'MERE INSTRUMENT' OF PARENT

The Rome lawyers acting on behalf of the 80-odd bank creditors of the Luxembourg-based Banco Ambrosiano Holding (BAH) expect to have issued a total of five or six writs against Nuovo Banco Ambrosiano by the end of this week James Buxton writes. Two were issued earlier this week, the first on behalf of a consortium of 15 banks led by Midland Bank France, Paris-based subsidiary of Britain's Midland Bank, and the second on behalf of a consortium led by National Westminster, also of the UK.

The Midland Bank writ concerns a syndicated loan for \$10m agreed in August 1980. The writ relates how the Midland representatives negotiated directly with executives of Banco Ambrosiano in Milan for the loan which would have

been either to the parent bank or to a member of the Ambrosiano group. In the end it was decided that the loan should be to BAH, which was 70 per cent owned by and directly controlled by Banco Ambrosiano SpA. BAH was a "mere instrument" of Banco Ambrosiano SpA, the writ states. The writ states that BAH-controlled two subsidiaries, in Managua and Lima, whose main role was to make loans to companies registered in Panama and Liechtenstein which were the property of the Vatican Bank. It is to *le Operai dei Religiosi* (IOR). The credit amounted to more than \$15m, and were issued on the orders of staff based in Milan. "The telexes with which tens of millions of dollars were accredited to phantom companies were simply signed 'Giacomo' or 'Licia' or 'Angelica,'" the writ states. "Giacomo" is Giacomo Botta, then manager of Banco Ambrosiano SpA and head of its foreign department. "Licia" and "Angelica" are his (then) secretaries. From Milan they communicated to Monaco, on a direct telex to Banco Ambrosiano's overseas in Nassau, they sent the instructions which emptied the coffers of BAH in favour of the phantom companies of the IOR.

The 47-page writ, drafted by the firm of Grazie, calls Nuovo Banco Ambrosiano SpA to a hearing on June 15 at the Milan Courthouse, where it is alleged that the new bank is in breach of Article 54 of the 1936 Italian banking law which, the lawyers say, obliges the successor bank to take responsibility for the debts of its predecessor.

Standard Chartered in £101m cash call

By Alan Friedman, in London

STANDARD Chartered Bank, the British-based international bank, yesterday launched a one-for-five rights issue designed to raise £101m (£147m). The net proceeds, £97.5m, will be used to strengthen the bank's capital base and to continue developing its international business.

The rights issue, which offers 25.9m new shares at 35p per share, took the London stockmarket by surprise. The bank's share price fell 24p on the day, closing last night at 45.5p. The shares of the Big Four UK clearing banks also declined yesterday, by an average of around 10p.

Standard Chartered said yesterday it wished to develop new lending opportunities during the world economic recovery. The bank denied that it was planning any major UK acquisition.

Some of the proceeds will be used to develop the business of MATIB, the consortium bank which was recently taken over by Standard Chartered and is to become the group's main merchant banking unit.

City of London analysts suggested, however, that the rights issue proceeds would help the bank to improve its free equity ratio (the ratio of shareholders' funds against deposits), which at 2.4 per cent before the rights issue had been viewed as somewhat lower than other banks. The figure will now be about 2.8 per cent.

Delors shows flexibility on travel as protesters march

BY DAVID HOUSEGO IN PARIS

THOUGH the organisers proclaimed it a success beyond their hopes, the silent march of the French travel industry yesterday to "defend the freedom to travel" ended up in a noisy, inconclusive demonstration in front of the Ministry of Finance in Paris.

Police said about 3,000 took part in the march, which began shortly before lunch from the Opera. There was some confusion at the outset after M Jacques Maillot, head of the Nouvelle Frontiere travel agency, which had spearheaded the weekend revolt against the measures, called it off to permit negotiations with the Ministry of Finance.

Though individual credit cards have been cancelled for Frenchmen travelling abroad, businessmen will be able to make use of company credit cards. The Government is also showing some flexibility towards those who have already booked package tours whose foreign exchange cost exceeds the FF 2000 (£275) limit and towards students on language courses abroad.

Speaking on radio, M Delors denounced the outcry against restrictions

equated liberty." Scuffles with police broke out beneath the windows of M Jacques Delors, the Minister of Finance, after the demonstrators had been asked to disperse.

If some of the steam was taken out of the demonstration, it was because the Government has somewhat softened its stance although it is standing firm on the substance of the measures.

Some officials argue that the outcry has helped the Government by attracting public attention from the severity of the other measures.

M Delors also said yesterday that inflation in France this year was likely to be between 8 and 9 per cent — higher than the Government's original target was 8 per cent — because of the inflationary implications of some of the measures. The Government is taking new measures to curb the excess markups in price charges by butchers, bakers, fishmongers, hairdressers and hotel owners in the first two months of the year, contrary to the anti-inflation agreements they signed.

Boeing-Paris said, Page 2

Reagan unveils new arms plan

Continued from Page 1

sented a significant step designed to move the negotiations towards the conclusion of an equal, fair and verifiable arms control agreement, it said.

The Group reaffirmed its support for the zero option as the "optimal solution" and hoped that it could still be achieved. It expressed its "firm view" that it was now incumbent on the Soviet Union "to respond constructively."

The offer was particularly welcomed in Bonn, which has been anxious that continued Western insistence on the zero option might

rain prospects for an agreement. Chancellor Helmut Kohl said yesterday the proposal showed that "continuous and intensive effort to reach a concrete and balanced result" at the Geneva talks.

Britain, clearly delighted by the degree of consultation between Washington and its European allies, warmly welcomed the initiative and urged the Soviet Union to consider the offer with the utmost seriousness and to respond positively.

Soviet officials have already reacted dismissively to Mr Reagan's plan, officially put forward in Geneva on Tuesday.

Some officials have indicated that the zero option might

Fail-safe gas supply urged for W. Europe

Continued from Page 1

The agency is also forecasting that the Soviet Union and Algeria will supply 35 per cent of Western European gas needs, excluding the UK.

The IEA says only the Netherlands and Norway could increase their current production to meet the rising demand for gas. For this reason, the IEA is recommending that its member countries negotiate fail-safe gas supply agreements with the Netherlands and urges Norway to speed up development of its gas fields.

The security of gas supply issue is central to the Soviet trade question which continues to divide the US and its allies. Although the US has abandoned any hope of preventing the first section of the controversial Siberian pipeline going on stream next year, it is seeking to block the eventual construction of a second and third section, while at the same time adopting a hard line against energy technology exports to the Soviet bloc.

Nevertheless, in spite of the war-like reaction by European governments there will inevitably be scepticism over whether the proposal will be enough to persuade Moscow to move before the weapons start being deployed in December.

US officials have indicated that the US would treat with great concern any situation where a Western country depended for more than 30 per cent of its gas needs from the Soviet Union. According to US studies, a Soviet pipeline with one strand would supply between 20-30 per cent of Western European gas needs, while a pipeline with three strands would increase European dependency on Soviet gas to about 40 per cent.

But international oil industry sources in Paris said the so-called "30 per cent supply safety limit" did not fully reflect the situation in Western Europe. According to one source, the problem must also be seen in the context of gas users and their capacity to switch fuels in an emergency.

In Europe, the problem is that residential and commercial gas users account for up to 80 per cent of gas demand in some countries. This makes them far more vulnerable to a supply cut-off, especially in winter.

In their reports for the summit, the OECD and the IEA will again warn of new dangerous energy problems arising at the end of this decade, should industrialised countries decide not to strengthen their current energy policies.

World Weather

Apulia	5	14	5	Dalmatia	5	17	5	Malta	5	23	5	Sabah	5	27	5	Sabah	5	27	5	Sabah
Abruzzi	3	21	78	Faro	3	15	54	Hans	5	14	51	Sabah	5	27	5	Sabah	5	27	5	Sabah
Algeria	3	14	57	Peru	3	15	54	Hans	5	14	51	Sabah	5	27	5	Sabah	5	27	5	Sabah
Angola	3	14	58	Peru	3	15	54	Hans	5	14	51	Sabah	5	27	5	Sabah	5	27	5	Sabah
Antarctica	3	14	58	Peru	3	15	54	Hans	5	14	51	Sabah	5	27	5	Sabah	5	27	5	Sabah
Argentina	3	14	58	Peru	3	15	54	Hans	5	14	51	Sabah	5	27	5	Sabah	5	27	5	Sabah
Armenia	3	14	58	Peru	3	15	54	Hans	5	14	51	Sabah	5	27	5	Sabah	5	27	5	Sabah
Armenia	3	14	58	Peru	3	15	54	Hans	5	14	51	Sabah	5	27	5	Sabah	5	27	5	Sabah
Argentina	3	14	58	Peru	3	15	54	Hans	5	14	51	Sabah	5	27	5	Sabah	5	27	5	Sabah
Argentina	3	14	58	Peru	3	15	54	Hans	5	14	51	Sabah	5	27	5	Sabah	5	27	5	Sabah
Argentina	3	14	58	Peru	3	15	54	Hans	5	14	51	Sabah	5	27	5	Sabah	5	27	5	Sabah
Argentina	3	14	58	Peru	3	15	54	Hans	5	14	51	Sabah	5	27	5	Sabah	5	27	5	Sabah
Argentina	3	14	58	Peru	3	15	54	Hans	5	14	51	Sabah	5	27	5	Sabah	5	27	5	Sabah
Argentina	3	14	58	Peru	3	15	54	Hans	5											

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SECTION II - INTERNATIONAL COMPANIES FINANCIAL TIMES

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LARGEST WEST GERMAN COMMERCIAL BANK GIVES PROFIT WARNING

Deutsche Bank trebles provisions

BY STEWART FLEMING IN FRANKFURT

DEUTSCHE BANK, West Germany's largest commercial bank with assets of DM 169bn (\$81.9bn), has issued a clear warning that the boom in operating profits in the West German banking industry during the past 18 months is probably over.

The bank disclosed that for the second consecutive year operating income for 1982 surged to new peaks. However, it warned that it was unlikely to produce such a strong performance in 1983.

West German bank secrecy means that the banks do not provide specific operating figures but Deutsche Bank said that in the group as a whole, operating earnings rose 30 per cent in 1982, following an increase of 31.3 per cent in 1981.

The true scale of its provisions

Earlier this week it increased its dividend to DM 12 from DM 10 a share paid for 1981.

Behind the renewed surge in operating earnings lies a boom in bond trading profits, which doubled in 1982 from the already high levels reached in 1981. The bank's interest earnings also rose sharply, by 11.6 per cent (DM 396.4m) to DM 3.8bn, mainly reflecting a decline in funding costs. Commission income in the group stabilised around the DM 1bn level.

While operating earnings have boomed, so too have loan losses and provisions against potential loan losses. In its published accounts the bank discloses another leap in loan loss provisions and write-offs this year, a rise of DM 1.2 to DM 1.7bn.

As a result of the write-offs and provisions, the bank discloses a group net profit of DM 343m, down from DM 41.4m in 1981. The decline will be widely seen as demonstrating once again that investors in West German shares should not pay too much attention to "the bottom line."

Dr F. Wilhelm Christians, the bank's jointly chief executive, stoutly defended both the further dramatic increase in loan loss

provisions and write-offs, and the net income figure, pointing out that business risks had increased sharply.

He warned, however, that Deutsche Bank was expecting its interest margins to come under pressure in 1983 now that the long decline in West German interest rates seems to be coming to an end.

In addition, he suggested that the bank was unlikely to repeat in 1983 the post-war record earnings it had reported in its securities trading division.

Dr Christian's warnings will be registered around the banking industry, since as the market leader, Deutsche Bank's margins on interest business help to determine how its rivals can set their rates.

Rescue agreed for Nyby Uddeholm

By David Brown in Stockholm

AGREEMENT has been reached in principle between the Swedish Government, other creditors and the owners of Nyby Uddeholm (NUAB) to rescue the loss-making stainless steel enterprise from liquidation.

Under the plan, the Government is to cancel up to SKr 230m (\$43.7m) of SKR 1bn in claims against the company. The Uddeholm parent company will pay SKr 175m in cash as stockholders' equity, and will maintain its majority interest for the coming 10 years. Skandinaviska Enskilda Banken will handle a public share issue which, it says, will raise at least SKr 100m. Granges, the engineering and metals group, will cancel its claim for SKr 55m.

Mr Tage Petersson, the Industry Minister, said the plan was consistent with the Government's policy of restricting its financial involvement and calling "for greater contributions from private owners and creditors in any structural changes." The alternative to financial reconstruction, he said, would have been liquidation.

The company has registered losses since 1978.

French banks launch system for electronic shop payments

By DAVID MARSH IN PARIS

ST-ETIENNE, the town in central France noted for its football team and its (sadly declining) engineering industry, has just become wired up for France's latest and most ambitious project in electronic banking.

A group of banks led by Crédit Agricole - which has decided not to join in the other banks' system - the St-Etienne project is on line, with the counter terminals linked to the banks for instant control and authorisation 24 hours a day.

Purchases are paid for electronically by passing the customer's credit card through a groove in the terminal. The shopkeeper keys in the amount of the purchase, while the customer records his confidential code number on a separate key-board attached to the terminal.

This confirms the transaction in the same way as a signature on a cheque. Depending on the type of card used - either the Carte Bleue or any of the individual credit cards distributed by the dozen participating banks - the payment is debited from the shopper's bank account either after two days or at the end of a day in six to nine months.

The St-Etienne project is run by the banks grouped in the Carte Bleue credit scheme. French-made

terminals, manufactured by the Serge Dassault electronics group, installed in shops are linked via telephone circuits to a central IBM computer.

Unlike the rival scheme run by Crédit Agricole - which has decided not to join in the other banks' system - the St-Etienne project is on line, with the counter terminals linked to the banks for instant control and authorisation 24 hours a day.

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Underlining France's commitment to electronic banking, the same banks are experimenting in Aix en Provence with off-line point

of sales terminals - which have no direct computer link with the bank.

In three other towns, Caen, Lyon and Blois, projects are under way using a "smart card" containing a microprocessor, used not only for retail payments but also for making telephone calls and for personal identification.

M. Louis Mexaudeau, the Post and Telecommunications Minister, said the "smart card" represented the preferred "path of the future" in spite of its higher cost.

M. Jacques Mayoux, the chairman of Société Générale, and a former director general of Crédit Agricole, said he regretted that the farmers' bank had not joined in the St-Etienne scheme.

He stressed that although several different electronic payment systems were being tested, ultimately a choice of technology would have to be made for a national system to avoid unnecessary competition and wasted investment.

M. Mexaudeau indicated that a decision would be made next year.

The banks underline in particular the simplicity and reliability of the system and the advantages for both customers and retailers of lowering risks from fraud.

Chase Manhattan may take control of NCB

BY OUR AMSTERDAM CORRESPONDENT

CHASE Manhattan Bank of the U.S. is understood to be considering taking majority holding in Nederlandse Creditbank (NCB), the fifth largest commercial bank in the Netherlands.

Chase owns 31.5 per cent of NCB. It would seek to increase its stake by purchasing the 27.5 per cent held by Thyssen-Bornemisza, the Amsterdam-based manufacturing and trading group.

M. Jacques Delsing, chairman of the board of management of NCB, said yesterday that it appeared that Thyssen wanted to dispose of its holding. Thyssen had recently offered to sell its NCB shares to the Dutch PTT, which is keen to have access to retail banking services.

The deal was, however, vetoed by the Dutch PTT.

In order to attend the meeting in person, or to be represented by a proxy duly authorised to do so, the meeting and exercises the right to nominate shareholders are required to give notice at least 3 days prior to the meeting of their intention to nominate a shareholder, or to present the relevant instrument of proxy to the Board of Management at the head office of the Company, Sarphatistraat 1, Amsterdam. Upon receipt of the notice of proxy, the Board of Management will then decide whether to accept the proxy or to be represented by a proxy duly authorised in writing and to be present at the meeting.

Holdings of corporate bonds, private and debentures are entitled upon the production of their securities to attend and address the meeting. "Documents concerning the exercise of the right to nominate shareholders at the meeting will be available for inspection by the above-named duly authorised persons from 7th April 1983 at the closure of the meetings, at the head office and at the branch offices of the Company. Copies of these documents, including the Annual Report, are available in the Dutch language, without charge to such persons at the Company's head office, Sarphatistraat 1, 1017 WS Amsterdam, The Netherlands. Tel. 010 31 20 283131, or at J. Henry Schroder Wag. & Co. Ltd, EC 2V 6DS London. Tel. 018 4000. Copies of the Annual Report in English are available at the same address.

Board of Management, Amsterdam, 31st March 1983.

Entrepreneur to buy U.S. Steel operations

BY OUR NEW YORK STAFF

U.S. STEEL, the biggest steel producer in the U.S., is continuing its programme of asset sales and has signed a letter of intent to sell certain of its non-steel operations to Mr. William W. Winspear, a private entrepreneur.

Included in the proposed deal are U.S. Steel's wholly-owned subsidiary, Alstal, which ranks as the biggest producer of building siding and related products in the U.S., its electrical cable operation and its tire cord business.

Mr. Winspear of Alstal has been president and chief executive of Chaparral Steel of Midlothian, Texas and before that was chief executive of Lake Ontario Steel company in Canada.

the proceeds in more profitable parts of its business. Last year it raised \$800m from the sale of various subsidiaries and buildings. U.S. Steel has not released any individual data on the importance of the subsidiaries which are involved in the planned transaction. More information will be released once a definitive purchase agreement has been signed.

U.S. Steel, which made a net loss of \$361m in 1982, has been selling assets since 1980 and redeploying

earnings emerge at FI 12.8m, against FI 1.5m in 1981.

Bührmann agreed yesterday that its results last year had come under pressure. Last November, the company noted that the impact of cost-savings measures undertaken in 1982 would not begin to be felt until this year.

It was for this reason that increased provisions against restructuring were written in the 1982 results.

Paradyne rebuts SEC charges

By WILLIAM HALL IN NEW YORK

PARADYNE Corporation, the fast growing Florida-based data communications company, has firmly rebutted charges by the Securities and Exchange Commission (SEC) that it gained its biggest ever contract for the U.S. Social Security Administration (SSA) by fraudulent means.

In addition, he suggested that the bank was unlikely to repeat in 1983 the post-war record earnings it had reported in its securities trading division.

As a result of the write-offs and provisions, the bank discloses a group net profit of DM 343m, down from DM 41.4m in 1981. The decline will be widely seen as demonstrating once again that investors in West German shares should not pay too much attention to "the bottom line."

Dr Christian's warnings will be registered around the banking industry, since as the market leader, Deutsche Bank's margins on interest business help to determine how its rivals can set their rates.

Degussa earnings drop but improvement likely

BY JOHN DAVIES IN FRANKFURT

DEGUSSA, the West German precious metals and chemicals group, sees some signs of an improvement in results this year, after a setback in sales and profits last financial year.

At the same time it is planning to raise up to \$50m through an international bond issue with a share purchase option to strengthen the long-term financial base of its U.S. subsidiary.

The company, whose shares have fallen sharply since the news of the SEC allegations was released last Friday, issued a long statement yesterday saying that it believes the SEC's charges are "without merit." It intends to contest vigorously the SEC's allegations in court.

Paradyne's problems centre on a contract to supply minicomputers to the SSA. It is alleged that the company deceived the SSA by using another company's computer in the demonstration before the contract was awarded.

The SEC also alleges that Paradyne enhanced its business prospects by issuing misleading statements. The allegations are contained in a civil complaint filed in a federal court in Tampa, Florida.

After the SEC allegations were made public Paradyne shares fell by more than a fifth in heavy trading on the New York Stock Exchange. Yesterday the shares recovered 4% to \$27.4m following the company's statement.

Referring to the demonstration of the company's operational capabilities to the SSA, which are the focal point of the SEC's complaint, Paradyne says that the various allegations which have been made are "seriously in error and distort the true nature of that demonstration."

The company emphasises that it engaged in no fraud of the SSA at the demonstration or otherwise, but made an accurate presentation.

M. Mexaudeau indicated that a decision would be made next year.

The banks underline in particular the simplicity and reliability of the system and the advantages for both customers and retailers of lowering risks from fraud.

shares at a specified price, which will be at least the average price on the Frankfurt stock exchange during the 10 trading days before the bond issue. Until options can be exercised, they can be traded on the Frankfurt Exchange.

The company has turned to this financial medium to enable it to offer a lower interest rate, in view of option holders' chances of capital gains.

In Australia, Degussa has taken a 10 per cent stake in Pancontinental Mining - attracted by the prospect of co-operating in the local group's gold and silver projects, rather than its uranium interests.

The share transaction last month has made Degussa one of the biggest single shareholders in Pancontinental, whose share price has been languishing lately because of uncertainty over the new Labor Government's uranium policy.

In Papua New Guinea, the Ok Tedi copper and gold mining project, in which Degussa has a 7.5 per cent stake, has suffered some delays as a long dry season made a river un-navigable.

Each \$1,000 of bonds will carry the option to buy up to 10 Degussa

common stock being exchanged on a one-for-one basis with a new issue of American General convertible voting preferred stock and a five year warrant to acquire one-twelfth of a share of American General common stock.

Each new share of American General preferred stock will have a stated value of \$23 and be entitled to a cumulative dividend of \$1.32 and be convertible into one third of a share of American General common stock.

Gulf Broadcast Company, which presently owns Gulf United's non-insurance properties will be spun off pro rata to the holders of Gulf United common stock immediately before the consummation of the acquisition.

Gulf United is a holding company whose subsidiaries operate principally in the life insurance industry and to a lesser extent in broadcasting, wholesale distribution of health care products and other assets.

The deal involves Gulf United

AMERICAN GENERAL IN \$1bn bid

BY WILLIAM HALL IN NEW YORK

AMERICAN GENERAL, the fourth largest stockholder-owned insurance company in the U.S., is making an agreed bid worth in excess of \$1bn for the insurance operations of Gulf United.

The deal marks the second major move by American General in the insurance industry in less than a year. Last autumn the company acquired NLT Corporation in a transaction valued at \$1.5bn.

Gulf United is a holding company whose subsidiaries operate principally in the life insurance industry and to a lesser extent in broadcasting, wholesale distribution of health care products and other assets.

The deal involves Gulf United

Hutchison Whampoa Limited 1982 Group Results

The group has again achieved record results with profits exceeding HK\$1 Billion for the first time.

The consolidated balance sheet reflects a very healthy position with gearing reduced to a low 15%.

The proposed final dividend is 30 cents per share, giving a total of 45 cents for the year, an increase of 12.5%.

Although the group faces tough trading conditions in 1983 and profits will be well below 1982 levels, the group is on a very sound footing and will strongly emerge when economic conditions improve.

Summary of Results	1982	1981
Profit before extraordinary items	HK\$M	HK\$M
949	790	
Extraordinary items		
52	157	
Attributable profit		
1,001	947	
Dividends per ordinary share	HK\$	HK\$
0.45	0.40	
Earnings per ordinary share	HK\$	HK\$
2.05	1.70	

Lia Ka-shing
Chairman

Hong Kong, 30th March, 1983

INTERNATIONAL COMPANIES and FINANCE

Downturn in profits for IBM Japan

By Toko Shiba in Tokyo

IBM JAPAN, a wholly owned subsidiary of the U.S. group, has reported a 9.2 per cent fall in unconsolidated net profits to Y3.6bn (\$14.9m) on sales of Y495bn, up by 13.1 per cent, for the year ended January 31, 1983.

Thanks to the introduction of new large computers, such as the 3081 series, and shipments of computer terminals to banks, IBM Japan's sales in the domestic market rose by 15 per cent. However, exports were sluggish, up only by 6 per cent to Y115bn, reflecting a shift of production to overseas plants.

The earnings decline was attributed partly to increased material and production costs, and partly to foreign exchange losses on imports caused by the sharp depreciation of the yen. Higher interest payments resulting from the company's substantial capital investments in restructuring its marketing networks, starting a leasing system, and marketing new office computers also affected the result.

For the current year the company forecasts growth in sales of more than 20 per cent, boosted by demand for office automation equipment such as office computers and a new multifunction computer with a Japanese language word processor facility.

Big provisions by HK developers

By ROBERT COTTRELL IN HONG KONG

HONG KONG's two largest companies, Hongkong Land and Cheung Kong (Holdings), have reported 1982 profits savagely cut by the collapse of the local property market.

At Hongkong Land, provisions totalling HK\$1.9bn (\$U.S.\$285m) against now doubtful joint-venture projects left a loss of HK\$514m, against 1981 net profits of HK\$2.2bn. The dividend is cut by one-quarter.

Land's downturn also had a knock-on effect at Jardine, Matheson, the trading group which owns some 40 per cent of Land's equity. Jardine's total profits were cut from HK\$922m in 1981 to HK\$723m.

Cheung Kong (Holdings), the property developer controlled by Mr Li Ka-Shing, enjoyed meteoric growth through the local property boom of 1978-81. The 1982 reversal has caused Cheung Kong to make provisions of HK\$458.7m against the diminished value of its landbank, and a further HK\$178.4m against investment holdings in other development companies.

Two other major Hong Kong property-based companies also reported for 1982 yesterday. Swire Pacific, whose subsidiaries include Swire Properties and Cathay Pacific Airways, reported total profits of HK\$600.7m against HK\$764.5m for 1981. While Hutchison Whampoa, also chaired by Mr Li Ka-Shing, made profits after tax of HK\$446m, an increase of HK\$150m over 1981. Cheung Kong holds 42 per cent

	After-tax profit (HK\$m's)	Extraordinary items (HK\$m's)	Net profit (HK\$m's)	Dividend per share (HK cents)
Jardine Matheson (1)	708 (723)	-308 (+259)	220 (902)	80 (80)
Hongkong Land (2)	1,268 (1,229)	-1,552 (+144)	-514 (+2,153)	26 (24)
Hutchison Whampoa (3)	949 (790)	52 (-187)	1,001 (947)	45 (40)
Cheung Kong (4)	526 (1,285)	7 (109)	534 (1,404)	70 (70)
Swire Pacific (5)	601 (728)	NIL (-37)	401 (745)	15.2 (15.2)

All figures are for 1982 with those of 1981 in brackets.

Notes: (1) Extraordinary items include exchange translation differences; (2) Provision against development projects included in extraordinary items; (3) Profits are stated before deduction of preference share dividends; (4) Provision against landbank included in after-tax profits, provision against investments included in extraordinary items; (5) stated dividend is on "B" shares.

of Hutchison.

The major surprise for analysts was Hongkong Land's decision to provide in full against the possible termination of certain projects—only its joint-ventures with the Redhill and Miramar sites, Mr Trevor Bedford, Land's managing director, said yesterday that the provision of HK\$1.9bn was sufficient to cover all of the group's liabilities on Redhill, a residential project on Hongkong Island, and Miramar, a commercial development in Kowloon.

Land has a 50 per cent stake in both projects. Its partners in the Miramar deal include the Carrion group, currently seeking debt rescheduling to stave off liquidation. On Redhill, 12 per cent of the joint-venture company, Vermillion, is held by E Wah and Aik San, two private Chung family companies which are also in negotiations with their bankers.

Jardine Matheson and Hong

Kong Land equity account for their mutual cross-holdings of one another's equity. Jardine's profits were depressed accordingly. But the major news from the Jardine group was the news of managerial changes. Mr David Newbigging, chairman and senior managing director, is to relinquish the latter role in June while remaining as non-executive chairman.

The chief executive's job is to be taken by Mr Simon Keswick, who was made a joint managing director last year and is expected by many to eventually take over the chairman's post.

Mr Keswick is descended from Jardine's Scottish founders and his family hold an undisclosed equity stake in the company.

Looking towards the current year, with the Hong Kong property market still in the doldrums, Mr Li Ka-Shing adopted a bearish outlook in his statements on behalf of both Cheung Kong and Hutchison

Whampoa. Hutchison, he warned, faced "a substantial fall in group profits for the current year" unless the property market and local economy improved. At Cheung Kong, he expected that "1983 earnings will be lower than those in 1982 and that dividend payments will be affected."

Mr Newbigging said he thought Jardine Matheson would improve its performance in 1983. Swire Pacific's Mr Duncan Black was the most optimistic of reporting chairmen. He saw "positive indications of some improvement to demand in the property market in Hong Kong." He also said Cathay Pacific, from which Swire netted HK\$980m of profits in 1982, showed "encouraging" first-quarter results, while other divisions were expected to achieve "satisfactory" outcomes for 1983.

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Major debt default in Taiwan

By ROBERT KING IN TAIPEI

TAIWANESE and foreign bankers here are bracing themselves against the effects of a major debt default that could become the largest commercial banking loss in Taiwanese history.

Altogether, 27 financial institutions, including six foreign banks, are owed more than US.\$500m by Great International Corporation, Taiwan's fifth largest trading company, and its affiliate, the We Sheng group. The companies began defaulting on payments late in 1982 and to date no plan to re-schedule the debt and reorganise the group has emerged.

Great International's U.S. affiliate, GIC America, compounded the group's troubles recently by filing for Chapter 11 bankruptcy proceedings in the U.S. The company's petition lists about \$8m in secured and unsecured debt, and about

\$9.2m in assets. GIC America's largest secured creditor, according to court documents, is the Bank of Bangkok, with about \$850,000 in loans outstanding. Other unsecured lenders are Societe Generale, Metropolitan Bank and Trust of the Philippines, Alpine Bank, Nederlandsche Bank and Union Bank. The size of these banks ranges from \$295,000 to \$750,000.

In Taiwan, We Sheng and Great International's creditors include the Morgan Bank, Lloyd's Bank International, Banque de Paris et des Pays-Bas, as well as local branches of Bank of Bangkok, Metropolitan Bank and Trust and Societe Generale.

It appears that rapid expansion in the food processing industry, where competition is rife and profit margins are slim, led

to the companies' overextension. Most of the companies' assets are tied up in property at a time when the property market is depressed and prices have fallen. Thus, even institutions whose loans are secured against property might have trouble recovering their assets.

The Government has asked the banks to wait until the end of April before pressing for repayment, in order to give the companies time to come up with a re-organisation plan. But bankers say that with manufacturing and exporting operations at the companies continuing at only minimum levels they remain pessimistic.

Wang Chao-Ming, Taiwan's vice-minister of economic affairs, said last week that the Government has no current plans to assist the ailing companies.

Hongkong Land

All operations increase recurrent profits. However 1982 difficult for Hong Kong generally and for property market. Substantial extraordinary provisions made against certain joint ventures.

Group Profits
Consolidated net profit after tax, but before extraordinary items HK\$1,038 million, a decrease of 27% against 1981. Earnings per share 49 cents, down 28%.

Extraordinary Items
Provisions of HK\$1,900 million set aside against joint venture property trading projects. Profits from sale of investments HK\$348 million.

Dividends
Final ordinary dividend of 12 cents per share proposed totalling 26 cents for 1982, 24% below 1981.

Properties Revalued
All completed Hong Kong investment properties revalued in view of fall in Hong Kong property values generally. Developments in progress to be carried at cost. Net surplus credited to capital reserve of HK\$2,629 million.

Major Acquisitions
34% Hongkong Electric Holdings Ltd. Prime site for Exchange Square development Bank of Canton Building.

Results

	1982 HK\$ million	1981 HK\$ million	1982 HK\$ per share	1981 HK\$ per share
Group profit after taxation and minorities	1,038	1,429	49	68
Extraordinary items				
Profits on sale of long-term investments and investment properties	348	734	16	35
	1,386	2,163	65	103
Provisions for possible termination of development projects and against interest in associate	(1,900)	—	(89)	—
Total (Loss)/Profits	(514)	2,163	(24)	103
Dividends				
Ordinary—Interim	300	254	14	12
—Final	257	469	12	22
Total	557	723	26	34
A special dividend of 6c per share was paid in respect of the year 1981				
Shareholders' funds*				
	HK\$20,329	HK\$19,528	HK\$9.49	HK\$9.16

*Reflects Hong Kong investment property revaluations—1981 partial, 1982 total.

The Hongkong Land Company Ltd
Alexandra House, Hong Kong

Jardines 1982 Results Earnings HK\$708 Million

Earnings show slight decrease in difficult year.

- Net profit was HK\$708 million, down 2.1% from 1981 earnings of HK\$723 million. Exchange translation differences and extraordinary items add further HK\$173 million and charges of HK\$561 million respectively.
- Earnings per share declined 4.3% to HK\$1.77.
- Dividend: Recommended final dividend of HK\$0.57 makes total of HK\$0.80 for the year.
- Group earnings affected by Hongkong Land's lower profits and its substantial extraordinary provisions in respect of certain joint venture developments.

	1982 HK\$m	1981 HK\$m
Turnover	11,240	9,266
Profit before tax	1,267	1,300
Profit after tax	981	320
Minorities	273	257
Profit after tax and minorities	706	723
Net exchange translation differences	173	33
Extraordinary items (Jardine Matheson Group)	(17)	(28)
Extraordinary items (Jardine's share of Hongkong Land)	(544)	254
Profit available for appropriation	320	982
Earnings per share*	HK\$ 1.77	HK\$** 1.85
Dividends per share	HK\$ 0.50	HK\$ 0.80

*Before net exchange translation differences and extraordinary items.

**Adjusted for change in issued share capital.

The 1982 Annual Report and Accounts will be posted to shareholders on 16th May, 1983.

D.K. Newbigging
Chairman
30th March, 1983

Jardine, Matheson & Co., Ltd
Consult Centre, Hong Kong

Bond bids A\$260m for Grace Brothers

By Michael Thompson-Noel in Sydney

BOND CORPORATION Holdings of Perth last night launched a takeover bid for Grace Brothers Holdings, the Sydney-based retailing and transport group, worth approximately A\$269m (US.\$225m).

The master company of Mr Alan Bond, the Perth businessman, is offering one cumulative preference share in Bond Corporation, redeemable for A\$4.50 cash in three years time, to exchange for every stock unit and convertible into Grace Brothers.

Mr Bond told Australian stock exchanges last night that on a 10 per cent discount basis, and leaving aside tax advantages that might accrue to some shareholders and noteholders, the offer was worth A\$1.26 per Grace Brothers stock unit and convertible.

The move could help rationalise the extra-territorial state of Australian retailing. If it does, it will leave Mr Bond in control of a retailing group that also embraces the Waltons Bond and Norman Ross subsidiaries, and which will rank as the country's fourth biggest retailer.

Following a hectic tussle for Grace Brothers shares last year, Bond Corporation just won control, just under 20 per cent—as does Adelaide Steamship Company (Adsteam), and Myer Emporium, the Melbourne-based retailer.

Approximately 18 per cent is held by Grace family interests (including the Grace Brothers pension fund), and 6.8 per cent is held by yet another Australian retailer, Woolworths, which last year launched—but subsequently withdrew—an offer of A\$1.86m for Grace.

Grace Brothers' profits for the year to last July were A\$13.7m, but Australian retailing is depressed at present.

A week ago, before the latest bout of hectic trading in Grace Brothers shares, the share price was A\$2.80.

There is inevitable speculation that the Bond bid will flush out a counteroffer, either from Myer Emporium or from Adsteam—or both. Last night Adsteam did not rule out making such a bid.

Central American Bank for Economic Integration (CABEI)

U.S. \$20,000,000

9 thorny questions treasurers are asking Morgan about long-term financing alternatives



Morgan banking officers and Morgan Guaranty Ltd managers meet in London. From left: Jean-François Buisseret and Michael Enthoven, MGL; Andrew Cartwright, Banking, London; Claus Löwe, MGL; Gonzalo de las Heras, general manager, Madrid; William Holding, head, European Corporate Banking, New York.

1. Are there economic benefits to denominating an inter-company loan in a third-country currency?
2. Is there a cost-effective way to prepay a foreign currency liability?
3. Does it make sense to be a lessee if we pay taxes?
4. At what point does project financing favourably affect the risk/reward ratio of an investment opportunity?
5. How can we efficiently reduce the cost of our outstanding public debt?
6. Can we arrange long-term fixed-rate financing in a foreign currency if the capital market for the currency isn't accessible on reasonable terms?
7. How can we most efficiently use interest rate swaps to change floating-rate debt to a fixed-rate obligation? Or fixed to floating?
8. How can we improve the return on our investment portfolio within our liquidity, credit quality, and foreign exchange exposure constraints?
9. When does a private placement provide terms which are competitive with the public market?

Corporate treasurers find that Morgan has the answers to long-term financing questions like these. They know

Morgan bankers add value to a relationship by exploring all the alternative solutions to complex financing problems—both traditional structures and new ones responsive to today's volatile markets.

How Morgan responds

Our answer to Question 3, for example, may be a cross-border lease which dramatically reduces the effective cost of financing the asset while permitting you to retain the economic risks and rewards of ownership. Morgan can act as both agent and advisor. In the last year alone we arranged a billion dollars of such leases.

Or take Question 5. For many companies forward bond repurchase programmes can lock-in existing discounts on the bond prices or currency exchange rates—or create a positively-sloped yield curve—without incremental outlays of funds.

The answer to Question 6, for several clients, was a bond issue plus a currency swap. The issuer raised funds in one currency and effectively repaid them in another through a long-dated forward exchange contract. We thus generated financing in the client's desired currency on more advantageous terms than otherwise possible.

As to Question 7, you'll find we provide a fully integrated proposal—arranging the floating-rate financing or

backstop facility if necessary, acting as principal in the swap, and managing the related bond issue in the international market. And you'll find that our approach can not only reduce the costs and risks of such a transaction but also simplify its implementation.

Can Morgan help you?

Morgan has the resources to solve any type of financing problem for a client, as principal or agent. The right solution for you can involve our role as lender, market-maker, or underwriter, or as agent or advisor on private placements, leasing, exchange and interest rate exposure management, loan syndications. And our merchant banking subsidiary in London, Morgan Guaranty Ltd, is one of the fastest growing lead managers in the Eurobond market.

By calling on Morgan's extensive knowledge of the capital markets you may be able to lower your long-term financing costs significantly.

Ask us your tough questions

What financing questions are most challenging to your company? Ask them of your Morgan banker in any of our European offices. Or write or call Fabian K. von Hofe, Vice Chairman, Morgan Guaranty Ltd, 30 Throgmorton Street, London EC2N 2NT. Telephone (01) 600-7545. Member FDC

The Morgan Bank

UK COMPANY NEWS

GRE rises £17m: payment lifted 2p

A PRE-TAX profit up by 19 per cent from £88.1m to £106.2m is reported by Guardian Royal Exchange Assurance for 1982.

Underwriting losses on general insurance business were up by one-third from £43.1m to £56.1m, but this deterioration was more than covered by a 23 per cent rise in net investment income from £12.5m to £15.1m and a 40 per cent increase in long-term profits from £12.1m to £17.2m.

A substantial rise in the tax charge, plus bigger minority interests, to finance the investment in net profits available to ordinary shareholders to under 4 per cent, rising from £57.2m to £59.3m.

Earnings per ordinary share actually fell 7.3p (38.5p).

Nevertheless, GRE is lifting its dividend for 1983 by 11.4 per cent from 17.5p to 19.5p, with a final payment of 12.5p per share.

General premium income last year grew by 12 per cent in sterling terms from £862m to £967m, the underlying growth rate allowing for changes in exchange rates being 7 per cent.

Premium income in the UK, which accounts for around 40 per cent of GRE's business, rose by only 5 per cent from £360m to £378m, while underwriting results moved from a small profit of £500,000 in 1981 to a £2.1m loss last year.

These two features arise from the very keen competition for business: while underwriting losses were accentuated, the savings were greater, together at the beginning of the year.

Germany accounts for around 15 per cent of GRE's business

HIGHLIGHTS

Lex today looks at Bowater which has cut its final dividend leaving full-year payout down by a third, following a sharp reduction in profits and in the light of consistent cash outflows. Hongkong Land has also cut dividend and announced a HK\$1.5bn write-off below the line. Jardine Matheson has produced preliminary figures which similarly show the strains of a rising debt load and the difficult conditions in Hong Kong. The column goes on to examine the £101m one-for-five rights issue by Standard Chartered Bank to fund the expansion of its merchant banking arm. Further it considers Guardian Royal Exchange, which has reported a 19 per cent full-year profits rise to £106m, with elimination of overseas underwriting losses. Away from company results Lex examines the finance bill which confirms suspicions that the concessions over ACT and double tax relief are actually worth nothing to the properly-run multinational company.

and last year underwriting losses remained unchanged in sterling terms at £4.6m on a marginal rise in premium income from £133.4m to £143.9m. The German insurance market, however, remains difficult and the subsidiary Albingia continues to improve relative to the overall market.

The group's recent expansion in the U.S. has resulted in premiums from that country now accounting for almost 8 per cent of worldwide business. Premium income climbed from £59.3m to £74.7m, but the deterioration in underwriting in the U.S. resulted in underwriting losses in 1982 of £5.7m, against a profit of £2.5m in 1981.

Heavy weather losses, increasing numbers of claims and rising claims costs, all contributed to the deterioration.

thief claims. Fire insurance in Holland showed increased competition following the end of the tariff.

● comment

GRE still looks ready to ditch market share if that is the price of standing by its belief in an intrinsically sound underwriting business and the approach has paid off handsomely. New premiums volume has slipped in Germany, South Africa and Canada, but the management's emphasis on profitable risk-taking went on, net £20m underwriting loss incurred in Australia and South Africa in 1981. In the U.K. the group has done well to limit major underwriting losses to £1m, but the overall picture has been spoilt by £17m of storm damage losses and £12m from other insurance contracts. The growth in GRE's investment income is less striking than the capital gains, realised or unrealised, which the group has enjoyed on its investment portfolio in 1982: just over £175m has been added to reserves, in addition to the £28.7m of retained earnings for the year, and GRE's solvency ratio has risen from 63 to 75 per cent. A strong dollar and the U.S. bond market's boom has yielded a huge windfall profit on the £76m proceeds of the 1981 rights issue, still being held in reserve against future U.S. underwriting risk.

Ambitions in this direction have been frustrated by oil price price inflation, but should still add to the future attractiveness of the shares which at 42.5p are yielding 8.8 per cent after yesterday's increase in the dividend.

However, business has improved in Australia in line with the market trend with underwriting losses being cut from £4.7m to £1.6m. Business in the Republic of Ireland has deteriorated with underwriting losses rising from £300,000 to £4.5m and a pre-tax loss of £500,000 being recorded.

Elsewhere, business in South Africa produced a substantially improved result. France had bad weather claims and a rise in

premium income improved nearly 7 per cent from £94.5m to £100.5m. But underwriting losses more than doubled to £10.5m (£4.4m), much of this deterioration coming from the severe winter weather at the beginning of the year. This resulted in a drop in premium income. On the life side, the life entry last year into the U.S. market, now renamed Banner Life, has paid off well with a strong contribution to net profits. Life business is expanding in Australia, while in the UK lack of growth in the recession hit group pensions market is being offset by strong growth in ordinary life business. The group's efforts to diversify beyond the group's traditional market is paying off. Premiums for this year took good with continued growth in long-term business and much better general insurance results thanks to a kinder winter in the UK and disengagement from Spain and France. At 41.6p, the shares yield 5.5 per cent.

● comment

The strategy of the Legal and General Group to reorientate at least temporarily on its worldwide general insurance operations and to concentrate expansion in its life and pensions operations is already paying off. The withdrawal from Australia was a strong factor in containing the rise in underwriting losses last year, compared with the

industry as a whole, while the refusal to get involved in a major premium cutting war for UK commercial and motor business has not resulted in underwriting losses escalating through expense pressure, despite lack of growth in premium income. On the life side, the life entry last year into the U.S. market, now renamed Banner Life, has paid off well with a strong contribution to net profits. Life business is expanding in Australia, while in the UK lack of growth in the recession hit group pensions market is being offset by strong growth in ordinary life business.

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● comment

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Gas so the fall of around

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The falling £ is very much a plus

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covery as the rest of manufac-

turing industry.

Second half downturn leaves Weir at £7.7m

HAVING predicted at the half-year stage that full year profits would be similar to 1981, the directors of Weir Group report a decrease in the taxable profits for 1982 from £17.5m to £7.5m, but with North American pulp and paper profits dropping away sharply in the second half and losses from UK papermaking increasing, taxable profits of the group dropped from £10.7m to £7.5m for the year.

Second half profits of from £5.25m to £4.13m.

Earnings per share given as

10.75p from 10.7p in

on a fully diluted basis. The net

loss for the year was £1.13m.

Mr Ingram Lenton, managing

director, said that the cut was

not solely due to the fall in

profits, although this was a

factor. He said it was in spite

of the group's continued

success in the U.S. market.

Turnover was reduced from

£132.2m to £136.8m.

By the end of 1982 loans and

overdrafts from UK banks had

been virtually eliminated. And

it has been possible to dismantle

the credit agreement involving

10 banks with the intention

of sections imposed and to

return to normal banking

arrangements with the Royal

Bank of Scotland, says Sir

Francis.

These borrowing rearrange-

ments place the group in a much

improved financial position.

After tax of £3.1m, net and

excluding extraordinary debits of £1.15m against £986,000, attributable profits were lower at £3.35m (£4.07m).

Sir Francis has announced his

intention to resign as chairman

from April 30—he will be

succeeded as non-executive chair-

man by Viscount Weir.

● comment

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Volvo seeking £25m in London

Volvo, the Swedish car,

engineering and trading group,

announced plans yesterday for

a new share issue in London to

raise over £25m.

The issue will comprise up to

750,000 series B free shares,

which can be bought by foreign

Western Areas Gold Mining Company Limited



(both incorporated in the Republic of South Africa)
Members of the
Johannesburg Consolidated Investments
Group of Companies

Highlights from the 1982 Chairman's Reviews

Gold market

The London free market gold price, which was fixed at \$400 (R383) per ounce on 31st December, 1981, had declined to \$304 (R348) per ounce by 20th June, 1982, against a background of deepening recession in the major Western industrial countries and despite political developments that might have been – and, in the past, have been – a significant factor in stimulating the demand for gold. Fortunately, however, this reduction in the dollar gold price of 24%, during the first half of 1982 was accompanied by a lower rand/dollar exchange rate, with the result that, in rand terms, the equivalent reduction in the gold price was only 9%.

During the second half of 1982 the dollar gold price recovered and the free market price was fixed in London at \$448 (R481) per ounce on 31st December, 1982, having attained a level of \$489 (R560) per ounce on 7th September, 1982. The sudden rapid increase in the gold price was apparently the result of two factors. Firstly, the prospect of a swift recovery in the United States economy – following significant decreases in U.S. dollar interest rates – created expectations of both higher inflation in that country and a greater gold demand for jewellery and investment purposes. Secondly, the precarious financial situation of certain third-world countries cast some doubt on their ability to repay U.S. dollar loans. In this instance the perceived threat – which still exists – was that default by such countries would severely strain the U.S. banking system, causing the U.S. monetary authorities to increase the money supply.

While the U.S. money supply rose sharply between September 1982 and February 1983 in response to a relaxation of monetary policy, inflation in America nevertheless declined further and this, together with a decline in oil prices, caused the gold price to ease back again. In fact, it fell by 19%, from \$509 (R566) per ounce on 15th February to \$412 (R419) per ounce on 4th March, 1983 ahead of the OPEC agreement of 14th March, 1983 to reduce the Saudi Arabian reference price by \$5 a barrel to \$29 a barrel. This had come about as a result of the significant over-supply of oil to the world petroleum market and can be expected to contribute positively to a further easing of world inflation in the short run.

With the benefit of hindsight, it is now possible to say, with a fair degree of certainty, that both the severe decline in the gold price as well as its rapid recovery during 1982, may have been exaggerated by the participation of speculators in the future markets. The influence of these markets becomes apparent only when it is realised that on a particular day the turnover is usually between three and five times greater than that associated with the physical gold market. Furthermore, between 1980 and 1982 annual turnover of gold on the major futures markets increased by some 30% to a level approaching 1 400 million ounces, which is more than 30 times greater than the world's total gold production during 1982. The radical change in the gold

market during the past few years has clearly resulted in a far greater awareness of gold, which augurs well for the price in the future. However, this has also resulted in greater fluctuation in the gold price as it adjusts with speculators' expectations of U.S. dollar purchasing power.

It seems possible, therefore, that the wide oscillations in the gold price experienced in the recent past may be a permanent feature of the gold market and that the gold producers will have to adapt their policies accordingly. Insofar as low-cost producers are concerned, the necessary adaptation may be relatively minor and entail only a more dynamic approach to planning. However, marginal producers may have to adopt a more conservative approach to try and secure an acceptable level of revenue rather than take the risks associated with a volatile gold price.

Uranium market

The uranium price decline, which began in 1979, continued during 1982. The lowest uranium spot price as published by Nucex in 1982 was \$17 per pound in September and October of that year, compared with a price of \$23.50 in December 1981. This reduction in the spot price has been a reflection of a basic imbalance between demand and supply following a world-wide reduction in energy consumption. In the absence of significant decreases in uranium production, stocks continued to increase substantially. Sales from stocks by American utilities – committed to purchase quantities of material substantially in excess of their requirements – and the sale of uncommitted production by certain North American producers exacerbated the decline in the uranium price.

Fortunately, however, most major consumers with long-term contracts for their requirements have taken a realistic view of the decline in the uranium price in order to ensure continuity of supply. As a result, the price associated with such contracts has, in many instances, not been as severely affected as it might otherwise have been. In addition, the lower rand/dollar exchange rate that prevailed during most of 1982 offset, to some extent, the lower dollar price.

Towards the end of 1982 the Nucex uranium spot price increased to \$19.75 per pound. Although this may suggest that the decline in the market has been arrested, the industry is still faced with the fact that production will probably exceed demand for some time to come, particularly while regulatory constraints and concerns about environmental issues influence the construction of further nuclear power facilities in the United States and other industrialised countries. However, the force of these considerations should diminish if any significant upturn occurs in the demand for electric power.

Operations

The sharp decline in the U.S. dollar price of gold in the early part of the year necessitated a major rationalisation of operations to improve the grade of ore mined. As a result of the decision to concentrate mining operations within limited higher grade areas, ore from underground decreased by 17%. Material from surface sources to the mill increased from 433 000 tons to 557 000 tons. The effect was a net decrease of 12% in total mill throughput. Surface ore included 85 000 tons from the waste washing plant and 472 000 tons from the rock dump at North shaft.

Despite the treatment of 510 000 tons of uranium-bearing Middle Elsberg ore with a low gold content, the recoverable grade improved to 4.5 grams per ton (1981: 4.1 grams per ton) resulting in the production of 16 923 kilograms of gold (1981: 17 706 kilograms).

Notwithstanding reductions in the number of employees, labour costs increased by some R8 million (8.75%). Power and water costs increased by R4.6 million (26.4%). In consequence of these increases together with additional development and the effect of inflation in other areas, total working costs increased by 11% to R195 million. This increase, together with the lower tonnage milled, resulted in unit working costs rising by 25.6% from R41.80 to R42.49 per ton milled.

4E Sub-Vertical Shaft

Development and stopping from this shaft are progressing well and the planned rate of production is expected to be reached during 1984.

SV3 Shaft

Sinking and equipping of this shaft are planned for completion during 1984, when development of the areas between 83 and 95 levels will be commenced. The deepening of the SV2 Shaft should be completed in 1985 and will assist in the acceleration of the work necessary for the commencement of stopping operations early in 1986.

Capital Expenditure

Expenditure on mining projects during the year was limited to R19.1 million. This was necessary because of the low gold prices realised during the major part of the year and work was restricted to items vital to the short and medium term maintenance of production. Present estimates indicate that expenditure of some R30 million will be incurred on capital items during 1983, the major portion of which will be absorbed by the SV3 Shaft programme.

Safety

The Mine achieved a million fatality-free shifts in January 1982 and the five-star rating in the International Mine Safety Rating Scheme was retained. On 12th February, 1983 a million fatality-free shifts were again recorded. Management and staff at the mine are to be congratulated on these achievements.

Western Areas

Labour

Consultations continued with white employees and their organisations on the question of the better utilisation of all labour. The indenturing of engineering apprentices from all races was introduced in 1983, but little progress has been made regarding the position of semi-skilled workers.

During the year the company was approached by various black unions with requests to recruit employees and conclude recruitment agreements. Discussions have continued and agreement should be reached in the course. This will certainly lead to a major change in the industrial relations environment within the industry.

Forward Sales

As a result of the need to stabilise revenue at the level necessary to cover working costs and capital expenditure, the major portion of the expected gold production for the second half of 1982 was sold forward earlier during the year.

Outlook

The company still faces a difficult period ahead pending the completion of the SV2 and SV3 Shaft systems and the development of sufficient ore reserves, particularly on the VCR horizon, to provide the necessary flexibility of operations. In the longer term, these projects should result in an improvement in the grade of ore available for mining.

With the improvement in the gold price, underground production at North Shaft is expected to increase and this should offset the reduction in the treatment of surface dump material, sources of which will be depleted towards the end of this year. Recovery grades during 1983 are expected to be maintained at the present levels.

Development rates will continue to increase and will remain high for a few years. Underground exploration west and north of the lease area will also be undertaken. The programme to open up and evaluate old blocks of ore at North Shaft has been accelerated.

These programmes will result in higher working costs but these increases should be offset to some extent by improved productivity.

The major portion of the expected gold production for 1983 has been sold forward to ensure a satisfactory minimum level of income. It is intended to maintain this policy until the deeper high-grade areas have been developed and the necessary flexibility of operation has been achieved.

Johannesburg
22nd March, 1983

SUMMARY OF OPERATIONS

Year ended 31st December	1982	1981
GOLD		
Tons milled - 000's	3 768	4 291
Kilograms produced	16 923	17 706
Recovery grade g/t	4.5	4.1
Average price received	368	463
U.S. \$ per ounce	368	463
Rands per kilogram	12 590	12 946
Revenue per ton milled: R	57.51	53.57
Cost per ton milled: R	52.49	41.80
Profit per ton milled: R	5.02	11.77
URANIUM		
Tons treated - 000's	510	—
Oxide produced - tons	171	—
Recovery grade - kg/t	0.33	—
FINANCIAL		
Profit from gold - Rm	18.9	50.5
Profit from uranium - Rm	2.9	—
Capital expenditure - Rm	19.1	38.9
Tax and State's share - Rm	—	2.4
Dividends - Rm	4.0	16.1

G. Y. Nisbet
Chairman

Operations

Operating profit for the year at R219.5 million was 24.4% higher than the R176.4 million achieved in 1981 and was the highest ever recorded by the company. Tax and the State's share of profits at R64.8 million were nearly double the amount (R34.9 million) paid in the previous year.

Net capital expenditure on mining assets amounted to R96.9 million, while R10.5 million (net) was repaid in respect of long-term loans. Earnings per share after tax and capital were 1.161 cents and a dividend of 1.100 cents per share was paid, which absorbed R69.5 million. These and other appropriations resulted in a decrease in retained earnings by R0.9 million to R14.2 million.

Largely due to the reclamation of greater amounts of low-grade surface dump material, the tonnage treated for gold increased by 19.6%, while the recovery grade was lower at 5.0 grams per ton. The mine produced 27 055 kilograms of gold, 14.2% more than in 1981.

As a result of the decision to terminate the mining and treatment of uranium ore at Randfontein section, the total tonnage treated for uranium was 11.4% lower, producing 462 837 kilograms of uranium oxide, or 21.8%, less than in the previous year.

The fight to contain working costs in the face of continued high inflation has met with significant success as a result of marked improvement in labour productivity and stores consumption. Total costs amounted to R158.207 million, 5.2% higher than in 1981, while unit costs were 12% lower, largely as a result of the increased tonnage from surface sources treated for gold.

Cooke No. 3 Shaft

Construction and sinking at the No. 3 Shaft are well advanced and production is now expected to commence early in 1984, twelve months earlier than originally scheduled. This good progress has been achieved through the continual revision of planning and control of operations, the effectiveness of the mechanised drilling in shaft sinking operations and the enhanced development rates achieved by utilising the mid-shaft loading facility. The major factor has been the large amount of development advanced from No. 2 Shaft. The project has also benefited by the absence of adverse ground and water conditions.

1 881 metres on the UELa Reef in the Cooke No. 3 Shaft area were sampled. While limited areas were of high grade, values for both gold and uranium were generally satisfactory. The UELa Reefs in this area usually comprise three or more distinct bands, all of which are prospected to determine the optimum horizon on which to develop raises. Much work has yet to be done to interpret the geological structure and the probable distribution of values in this section of the lease.

Treatment capacity for one from the No. 3 Shaft area will be made available at the Cooke plant by diverting lower grade uranium ore from the Cooke No. 1 Shaft to Millsite to be treated for gold only. This will reduce the urgency for the further expansion of facilities at Cooke plant in the short term.

Capital Expenditure

As a result of the lower gold price prevailing during the first half of the year, expenditure on capital projects was curtailed. However, with the improvement in the gold price the programme was again revised and expenditure reached R96.9 million by the end of the year.

Randfontein Estates

Present estimates indicate that a similar amount will be spent during 1983. Of this expenditure approximately R42 million will be required for the Cooke No. 3 Shaft project.

Joint Venture

With a view to the long-term future of the company, an agreement has been concluded with the Johannesburg Consolidated Investment Company, Limited whereby your company will participate in a joint exploration programme aimed at determining new areas of gold and/or uranium potential in the Transvaal and Orange Free State.

Randfontein's share of expenditure in this regard in 1982 was R1.9 million and is estimated at R1.0 million for 1983.

Labour

The better utilisation of manpower continues to be influenced by the attitudes of employees and their organisations. A large amount of time and effort has been devoted by management to the development and implementation of an Industrial Relations Education programme which, through consultative committees, will assist in communication with all workers. Consultation with employee organisations has also been given more attention. As a result some advances have been made and with the imminent emergence of unions representing all employees it is expected that change will now be accelerated. A major advance has been made in this regard in respect of a non-discriminatory policy adopted in the indenturing of apprentices this year.

The recovery in the gold price and the increased flexibility available in mining operations have allowed the company to continue with its expansion plans as well as to devote more attention to exploration for the long term.

As low grade material from surface dumps is replaced with underground ore, unit working costs can be expected to increase.

However, any such increase should be offset to some extent by the expansion of underground operations and further improvements in productivity. The increased gold price will make it possible to mill lower-grade ore from underground, including payable footwall bands, and as a result recovery grades are not expected to change significantly in the medium term as low grade surface dumps are depleted.

Evaluation of the area immediately north-east of the Cooke section where the company holds certain of the mineral rights has continued for a number of years and the point has now been reached where decisions can be taken. Feasibility studies indicate that at current gold prices the area could be profitably exploited if mined by this company as part of its own operations. This would require the agreement of all the other mineral right holders and to this end discussions to try and reach agreement on the financial arrangements have been initiated.

Johannesburg
22nd March, 1983

SUMMARY OF OPERATIONS

Year ended 31st December	1982	1981
GOLD		
Tons milled - 000's	5 411	4 525
Kilograms produced	27 065	23 679
Recovery grade g/t	5.0	5.2
Average price received	371	471
U.S. \$ per ounce	371	471
Rands per kilogram	13 072	13 065
Revenue per ton milled: R	65.86	68.37
Cost per ton milled: R	59.24	33.24
Profit per ton milled: R	36.62	35.13
URANIUM		
Tons treated - 000's	2 907	3 351
Oxide produced - tons	463	592
Recovery grade - kg/t	0.16	0.18
FINANCIAL		
Profit from gold - Rm	198.2	159.0
Profit from uranium - Rm	19.2	15.3
Capital expenditure - Rm	96.9	103.9
Tax and State's share - Rm	64.8	34.9
Dividends - Rm	59.5	40.6

G. Y. Nisbet
Chairman

Elsburg Gold Mining Company Limited

</div

UK COMPANY NEWS

Assoc. Book up £1.55m—pays more

PRE-TAX profits of Associated Book Publishers totalled £1.62m for 1982, an improvement of £1.55m on the figures of the previous year. All divisions returned better results.

A final dividend of 4.5p effectively lifts the net total from £1.667p to 6.5p per 20p share after allowing for 1981's two-for-one scrip issue.

The recession has continued to affect the group's main base, particularly in Australia and Canada where rapid deterioration in both economies set in towards the middle of the year.

Turnover, however, expanded by £9.06m to £51.79m although it is pointed out that £2m of the increase is due to exchange rate variations in exchange rates.

Trading profits for 1982 emerged at £5.6m, against a previous £4.2m. These were subject to an interest credit of £18,000, compared with a charge of £16,000.

Total took more at £21.6m (£1.63m) and minorities accounted for £714,000 (£506,000).

A divisional breakdown of group pre-tax profits shows: publishing £6.02m (£4.06m); selling £1.5m (£1.46m); wholesaling £7.8m (£10.6m loss); and printing £48,000 (£210,000 loss). Group administration costs were little changed at £428,000 (£443,000).

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Other indications given available as to whether the dividends are interim or final, or the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Lucas Industries, W. Tyzack Sons and Turner; Turner.

Finals: A.C. Cars, Gamers Stone, Geddes and Cloud Hill Lime Works, Conder International, Desoutter Brothers, Gibbs and Dandy, Gomfield Glass, H. H. Johnson, Magnolia (Mouldings), Johnson.

Stanley Miller, Nu-Swift Industries, Thinger Bardes, Winkle Colliery.

FUTURE DATES

Interims: (James) April 11, Trelawny, South West April 11.

Finals—

Albion April 22, Bramell (C. G.) April 18, Brock, St. Brides April 27, Cawthron International April 27, Clarke (Clement) April 13, Flinn (John) April 13, Gifford (John) April 21, Oldfield Inspection Services April 21, Scottish Mortgage and Trust April 21, Smith (W. H.) April 20, T. W. T. Holdings April 20, Wood (Arthur) April 6.

spontaneous, initially from the new scientific work. Overall input costs are showing a favourable trend but with no major new or revised works due in 1983 and a tough fight likely in Canada and, particularly, Australia, the group will be stretched to mark time on profits this year. Long term the outlook is for a return to a more moderate growth rate compared with the past two years.

Secondly, better-than-expected figures pushed share price up 21p to a record 228p. This puts the historic p/e at 12.8 for a group that has the strength but not the declared intention, to make a sizable acquisition.

R. Cartwright

At the interim stage profits amounted to £1.48m (£1.1m) and although the directors expected trading conditions to remain difficult they anticipated a satisfactory increase in earnings for the full year.

At year-end group shareholders' funds totalled £1.3m after providing for the final dividend.

• comment
Legal publishing remains very much the backbone of Associated Book, representing some 40 per cent of sales and 70 per cent of

profits in the UK. But the highlight of the strong 1982 advance — shown after a 5.1m provision for bad debts overseas — was the release of a major scientific work, *Dictionary of Organic Compounds*. Retailing at £950 this enabled the U.S. side to raise from 2.75p to 3.275p net per 10p share lifting the total to 4.625p (4p).

The outlook looks better than it has done for several years with all the group's companies working full time and in most cases with healthy order books.

Tax took £867,000 (£228,000).



Results for 1982

Subject to audit the results of Guardian Royal Exchange Assurance plc for the year ended 31st December, 1982 are as follows:

	1982	1981
£m	£m	£m
Investment Income	166.3	135.5
Less Interest Payable	11.2	9.8
	155.1	125.7
Underwriting Results		
Short-term (Fire, Accident and Marine)	(66.1)	(48.7)
Long-term	17.2	12.1
	(48.9)	(36.6)
Profit before taxation	106.2	89.1
Less taxation	43.3	28.8
Profit after taxation	62.9	60.3
Less Preference dividend and Minority Interests	3.6	3.1
Profit after taxation available to Ordinary shareholders	59.3	57.2
Ordinary Dividends		
Interim 7.00p per share	11.0	10.6
Proposed Final 12.50p per share	19.6	16.9
Total 19.50p per share (1981: 17.5p)	30.6	27.5
Profit transferred to Retained Profits	£28.7m	£29.7m
Earnings per Ordinary share (after taxation)	37.7p	39.5p

Results by Territories (before taxation)

	1982		1981			
	Net Premiums	Underwriting Result	Investment Income	Net Premiums	Underwriting Result	Investment Income
Australia	68.6	(1.6)	8.5	47.3	(4.7)	5.3
Canada	71.3	(8.3)	12.0	67.5	(8.1)	8.7
Germany	143.9	(4.6)	17.2	133.4	(4.6)	15.0
Republic of Ireland	23.2	(4.6)	3.8	18.8	(0.5)	3.3
South Africa	37.5	0.1	4.3	36.3	(2.3)	3.8
U.K.	378.4	(29.1)	73.7	368.8	0.5	59.4
U.S.A.	74.7	(5.7)	9.2	59.3	2.8	7.2
Miscellaneous	169.4	(12.3)	26.4	140.7	(31.8)	23.0
	967.0	(66.1)	155.1	862.1	(48.7)	125.7

The territorial results are stated after reinsurance protection from group companies including protection under the worldwide stop loss arrangements. The 'Miscellaneous' underwriting result includes this reinsurance in respect of the territories shown opposite:

Exchange Rates	1982	1981	1982	1981	1982	1981					
Australia	1.65	1.69	Germany	3.85	4.29	South Africa	1.74	1.83	U.S.A.	1.62	1.91

The worldwide results reflect the intensified competition experienced by the insurance industry in the territories in which the Group operates. The United Kingdom and United States, which previously have produced underwriting profits have been particularly affected by the market conditions, together with Canada and the Republic of Ireland. The deterioration in underwriting results in the United Kingdom, United States and Republic of Ireland has been accentuated by the very substantial number of claims arising from the severe weather in the early months of the year.

Improved results have been achieved in other territories and in particular in Australia and South Africa.

In spite of the impact of the underwriting results on cash flows, there was a very satisfactory increase in investment income.

The declaration of a special bonus on certain policies issued by Guardian Assurance plc, the shareholders' proportion of which amounted to £5.5m, has contributed to record profits from long-term business.



The Annual Report and Accounts will be posted to shareholders on 23rd April 1983
Guardian Royal Exchange Assurance plc
Royal Exchange London EC3V 3LS

Guardian Royal Exchange Assurance
An insurance service worldwide

Overseas side lifts Planet to £1.02m

AS UPLIFT in pre-tax profits from £892,000 to £1.02m at Planet Group reflects improved trading profits overseas offsetting a downturn in the UK. The dividend has been effectively raised and the directors report that a firm start has been made in 1983.

The group anticipates that further pro-

Rotork boosts payout as profits pass £4m mark

PRE-TAX profits at Rotork improved from £2.34m to £2.14m during 1982. Second half profits improved by £1.12m to £2.56m. The final dividend is raised from 1.35p to 2.15p net for an increased total of 3.5p against 2.45p.

Turnover of this designer and manufacturer of valve control equipment, marine valves and marine tools, rose from £21.95m to £25.45m. The pre-tax figure included exchange differences of £88,000 against £201,000. There was a tax charge of £1.74m compared with £1.42m. Stated earnings per 10p share were higher at 11.9p (6.8p).

The directors say the controls division has achieved excellent results during the year. They feel, however, that Rotork Con-

trols will have to take a step back in both sales and profitability in 1983 due to the delayed effects of recession.

• comment

Rotork, surprised even itself by the 40 per cent jump from its six year profit plateau, is not faring high on anyone's priorities. The company's profit warning for the year, not without foundation, has been met. New products will have to establish themselves so the emphasis will remain very much on the existing, established lines which retain market share and where there may be some room for price increases. Weak sterling should help the UK side, but a persistently strong dollar would be bad news for exports from the U.S. manufacturing base. However, with the shares backed in the foreign exchange market to show a 5% rise to a turnover 76p to yield 6.7p per cent.

Yorks. Chemicals back in profit

Yorkshire Chemicals moved back into the black for the 12 months ended December 1982, returning profits of £244,000 in the pre-tax level, against a loss of £1.66m previously.

As anticipated in the interim statement the group showed improved results over the second six months compared with the first half — the surplus for the period emerged at £10.9m, 000.

Adverse trading conditions, it has started to advance strongly in most product and geographic areas. The higher levels of activity achieved in second half are continuing in the opening months of the current year and the directors are confident that the group will achieve further improvements in marketing effectiveness and operating efficiencies during 1983.

A dividend of 1p net is being paid for 1982, double that of the previous year. Earnings per 10p share came through at 0.5p, against a loss of 1.3p.

Turnover moved ahead from £8.95m to £10.35m and at the latest level the group, a manufacturer of dyes and tanning materials, returned profits of £2.02m (£172,000 loss).

The pre-tax figures were struck after deductions of £1.11m (£1.11m) for depreciation and £88,000 (£88,000) for net interest charges. Exchange gains added £1.00m (£161,000).

Sales amounted to £24.74m (£24.28m).

The directors say that the performance of this extractor of ball and china clay during the recession has confirmed its

resilience. It is now in "excellent shape" to resume the pattern of growth as soon as conditions permit.

The building division, in which the company's clients are largely overseas, has returned to the end of the building cycle. In a number of the company's main markets, particularly those bordering the Mediterranean, construction remains depressed. The volume of sales cannot be expected to improve significantly until this trend is reversed. It now appears that this is about to take place.

Pre-tax profits are expected to rise after high depreciation of £1.98m (£1.98m) and interest charges from £32,000 to £34,000. There was a post-invoice currency loss of £2,000 (gain £18,000).

Extraordinary debts fell from £197,000 to £181,000. Attributable profit emerged down from £1.88m to £1.7m.

SIMMER AND JACK MINES LIMITED

(Incorporated in the Republic of South Africa)

PRELIMINARY PROFIT STATEMENT

The directors announce the audited financial results for the year ended 31st December, 1982.

1982	1981	1980's	1980's
Turnover			
Net Income before Taxation and Extraordinary Items	4,677	3,395	
Taxation and Share's Share of Profits	2,072	1,234	
Income before Extraordinary Items	2,605	1,161	
Extraordinary Items	873	436	
Retained Income for the Year	1,336	782	
Earnings per Share — cents	17.79</td		

UK COMPANY NEWS

Stothert & Pitt shows loss

AFTER moving back into the black in the second half of 1981, the engineering, design, equipment, Stothert & Pitt has up losses again during the six months ended December 31 1982.

At the pre-tax level the group incurred a loss of £196,000 which compares with a deficit of £211,000 for the same period last year, and a surplus of £206,000 for the six months to end-June 1982.

The interim figures were struck after taking account of much lower interest charges of £101,000 (£100,000) and a profit of £103,000 (£105,000).

Turnover edged ahead from £11.45m to £11.77m, and trading profit came through at £135,000, compared with £25,000.

There is again no interim dividend—the last payout was 1p per share for the 1980 year.

At the AGM last December, Sir Ralph Bateman said the group had made substantial progress and that subject to uncertainty of future demand for the contractors' plant division, there was some justification for believing that it would maintain the improving trend—the group incurred losses of £2.26m in 1980-81.

• comment

Stothert & Pitt has become accustomed over the past few years to thin times at the interim stage. As crane deliveries have tended to bulk together in the second half, so it is no surprise that the company slipped back into the red again in the second half of its second half of its financial year. But it still appears to be winning itself gradually out of recession by dint of cutting costs and overheads, reducing pre-tax losses by 63 per cent against the previous interim. The payment of £15m overdue funds from Saudi Arabia has also helped S&P achieve a 40 per cent reduction in its losses.

Markets for contractors' plant and general engineering products still remain in the doldrums, but demand for offshore cranes is showing signs of picking up following the budget's relaxation of the North Sea tax regime. Outside the UK, the company has won its first-ever order for the Norwegian sector of the North Sea, which will add to the £2.26m of losses which payments come due in 1983-84. The share price was unchanged at 68p; less than a quarter of S&P's net assets per share.

Magnet & Southern

The rights offer of 19.9m new ordinary shares by Magnet & Southern has been taken up as to 94.2 per cent, and the remainder have been sold at a premium.

Babcock profits expand by 45.6% to £20.5m

THERE were strong improvements in the trading profits of a number of the operating groups at Babcock International, power, mechanical, industrial and electrical concern, but the overall result for the North American group, the FATA group and the construction equipment business, which was sold during the year.

However, at the pre-tax level the result expanded by 45.6 per cent from £12.6m to £20.5m, while turnover reached the £105.8m mark against £85.8m.

Lack of sales volume from progressively shrinking markets was the main cause of the downturn in the trading profits of the North American group, although the trading loss largely reflects the costs of action taken to rationalise and reorganise some of the facilities.

Profitability was similarly lower in all the principal operations of FATA, partly due to reduced margins on work taken against fierce competition, but more significantly as a result of the closure of some of their French markets, the directors point out.

They state that the sale of the construction equipment business constituted the major feature of the plans to rationalise the activities of the group in 1982.

The sale was completed on October 1 1982, and on that date, Babcock received £9.3m cash as part payment on account. In addition, bank borrowings, by the construction side, totalling £20.5m, ceased to be a direct liability of the group.

Directions of estimated losses of £10.3m charged as extraordinary items on the sale, which include £3.8m in respect of goodwill written off, and £3.7m in respect of redundancy payments and the costs of implementing a reorganisation pro-

gramme planned prior to the sale.

Total extraordinary debits for 1982 amounted to £18.65m (£17.7m), which, after tax and minority interests, left the group with an attributable loss of £4.37m, compared with profits of £2.37m.

Earnings per share are shown as 11.1p (5.1p) and the dividend is maintained at 7p net with a same-against final of 5.1p.

After charging £4.86m (£3.47m) redundancy and reorganisation costs, the FATA group improved significantly in 1982 and the contracting companies, other than the FATA operations in North America generally have an adequate work load.

With the exception of the process control and instrumentation operations, prospects for the businesses of the industrial and electrical products group appear reasonably good, while the British plant, which had a high order book, but a large proportion of this work fails to be completed in 1984 and later.

Recession in the U.S. caused a reduction of 43 per cent in order books of the North American group during 1982. Their markets continued in decline throughout the year, and, at the end of the year, the directors say, the French market, the direction point out.

On August 20 last, a credit agreement was signed by Babcock Babcock with a revolving credit facility and an irrevocable letter of credit to support issues of commercial paper notes in the American money market. Aggregate amount of credit available at any one time under the two facilities is £35m. At the end of 1982, sums totalling £28.2m had been drawn against these facilities and used to repay more costly short term bank borrowings of Acco Babcock Inc.

Given the financial crisis in Mexico and the continuing uncertainty in that country, the directors considered it prudent to write off completely the investments in Babcock Mexico SA de CV and its principal subsidiary Babcock and Wilcox De Mexico SA de CV, and to make

substantially higher proportion of their turnover for the year

secured by firm orders that at outset of 1982, directors say.

All debt-related businesses have sufficient work on hand to carry them through the current year, but UK power group needs to receive another major contract to improve the loading of the Renfrew factory in 1983, they say.

Final devaluations of the peso, followed by the imposition of full exchange controls and a continuing decline in the value of the currency, caused serious difficulties for the Mexican companies, directors state.

In May 1982, the group provided financial assistance to these companies to alleviate immediate strain on their resources resulting from the first currency devaluation.

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substantially higher proportion of their turnover for the year

Interim jump for A. B. Electronic

FOR THE half year ended December 31, 1982, A. B. Electronic, the electronic component and systems manufacturer, has boosted pre-tax profits from £303,000 to £506,000 and lifted the interim dividend from 2.5p to 3p net per share.

With an improved overall position, the second half order position, the second half order position, the second half

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We cover the things you care for - with rewarding results.

Unaudited results for 1982 of Legal & General Group Plc

1982 showed good growth in the profits from life and insured pensions business, both in the UK and Australia, reinforced by a profit from our new US life subsidiary (Bancor Life) which comfortably exceeded the net investment income lost through financing its acquisition.

A fall in the trading profit on general insurance in the UK, due primarily to adverse weather at the beginning of the year, was almost wholly offset by a reduction in the trading loss on international business, reflecting improved results from specialist reinsurance and the decision in 1981 to cease writing direct business in Australia.

Group Premium Income	1982 £m	1981 £m
Pensions and life business	646.5	562.1
General insurance	169.4	168.1
Profit and Loss Account		
Long term profits after tax (excluding USA)	22.7	19.7
USA long term profits after tax	9.1	—
Underwriting loss on general business	(21.2)	(18.9)
Investment income after loan interest	26.2	34.0
Residual expenses	(5.7)	(5.1)
Fees and charges receivable	6.2	5.9
Associated companies' profits	1.2	0.7
Group Profit before tax	38.5	36.3
Taxation	(3.1)	(6.8)
Minorities	(0.3)	(0.1)
Group Profit after tax	35.1	29.4
Staff profit sharing, net (includes 1981 payment)	(1.1)	—
Shareholders' dividends	(23.3)	(19.5)
Retained profits	10.7	9.9
Earnings per share (based on Group Profit after tax)	23.32p	19.62p
Shareholders' dividends	15.50p	13.00p

Analysis of general insurance business results taking into account an estimate of investment income earned on technical reserves.

Premium Income	Underwriting Result		Insurance Result	
	1982 £m	1981 £m	1982 £m	1981 £m
United Kingdom	100.9	94.5	(10.5)	(4.4)
Australia	—	5.4	—	(3.1)
Victory	53.9	50.4	(7.7)	(8.9)
Rest of World	14.6	17.8	(3.0)	(1.5)
	169.4	168.1	(21.2)	(18.9)

The directors have recommended a final dividend of 110p per share, making a total of 15.5p for the year, an increase of 19 percent. Copies of the full Report & Accounts for 1982 will be sent to shareholders on 22 April 1983 and delivered to the Registrar of Companies after the Annual General Meeting which will be held on 16 May 1983.



Nationwide in action '82

Speaking at the Annual General Meeting held in London on Friday 25 March, Nationwide's Chairman Mr. Leonard Williams reported that 1982 was another good year in the progress of the Society.

Nationwide achieved excellent results against a background of increasing competition and falling interest rates. The Society continued to grow in efficiency and in its service to the community.

More investors Some 680,000 new investment accounts were opened, many by existing members opening further accounts.

More mortgage advances We provided mortgage loans of over £1,300 million to 75,000 home buyers, about half of them first-time buyers. In addition we made 44,000 further advances to help members improve and extend their homes.

More computer efficiency The Automatic Passbook Updating Terminal System - APUTS - has so far been installed in a third of Nationwide branches. It enables our cashiers to give a quicker, more efficient service. The network is planned to be complete by the end of 1983.

More branches We opened 12 new Nationwide branches and 78 agency branches to make a total of 513 staff branches and 740 agencies, each providing convenient local service to our rapidly growing membership.

More inner-city help During the year Nationwide announced a major new initiative in its support for improving the Nation's housing stock by establishing a Housing Department, and sponsoring a new company, Nationwide Housing Trust Limited, which is already becoming directly involved in areas of housing need. The Society also continued to give its full support to Government initiatives for inner city regeneration.



It pays to decide Nationwide

Companies and Markets

UK COMPANY NEWS

MINING NEWS

Randfontein's new gold area

BY KENNETH MARSTON, MINING EDITOR

THE South African gold and uranium-producing Randfontein Estates has a new mining project on the north-eastern side of its Cooke mine. In the annual report, Mr George Nisbet, the chairman, points out that the planned increase in mill throughput will compensate, temporarily, for lower gold values as mining extends into the lower grade areas.

Both Mr Pratt and Mr Jakes, the chairman of West Rand Consolidated, expect a steady increase in gold prices ahead of inflation in the short to medium term.

At a gold price of about \$450 per ounce, West Rand Consolidated has a reasonable probability despite the withdrawal of State assistance from the beginning of this year.

Mr C. R. Nisbet, chairman of Groenveld, says that the new carbon-in-pulp plant is now being commissioned and the mine is set to increase its output from 120,000 tonnes to 185,000 tonnes a year from the second quarter of this year.

Groenveld is thus assured of a higher gold production in 1983. Sillituna, on the other hand, is expected to produce slightly less as a result of decreasing gold prices. The mine is to mine the remaining life of the mine.

Finally, Mr J. G. Giffie, chairman of the major South African gold share holding company, Anglo-American Gold Investments (Amgold), stresses his belief that "gold will continue to justify the assurance it offers in a troubled world". He adds that the gold mining industry must work together to meet the need to contain costs and improve productivity.

State aid phase-out comes as no surprise

THE South African Government's decision to phase out state assistance for needy gold mines was widely expected by the industry ahead of yesterday's Budget speech announcement by Mr Owen Horwood, the Finance Minister, reports our Johannesburg correspondent.

At the moment, however, none of the mining mines can any longer expect state aid, and that will be limited to the losses incurred in mining operations.

Public Works Loan Board rates

Years	Effective March 30	Non-quota loans A* repaid	Non-quota loans A* repaid
Up to 3	11	11	12
Over 3 up to 4	11	11	12
Over 4 up to 5	11	11	12
Over 5 up to 6	11	11	12
Over 6 up to 7	11	11	12
Over 7 up to 8	11	11	12
Over 8 up to 9	11	11	12
Over 10 up to 15	11	11	11
Over 15 up to 25	11	11	11
Over 25	11	11	11

Non-quota loans A are 1 per cent higher in each case than non-quota loans A. Equal installments of principal. t Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). \$ With half-yearly payments of interest only.

SVENSKA CELLULOSA AKTIEBOLAGET SCA

9 per cent Convertible Subordinated Bonds 1998

NOTICE TO BONDHOLDERS

Svenska Cellulosa Aktiebolaget SCA ("the Company") will, subject to approval by an Extraordinary Shareholders' Meeting on April 11, 1983, make a rights issue of 7 per cent subordinated bonds due 1998 ("the Bonds"), denominated in Swedish Krona and convertible into 8 shares of the Company or provided with detachable warrants evidencing the right to subscribe for B shares of the Company at a fixed price for ten years ("the Ten Year Warrants"). The nominal value of each Note will be SKr 410, which, subject to adjustment in certain events, will also be the conversion price of convertible Notes and the striking price of the Ten Year Warrants. In addition, each Note of nom. SKr 410 will be provided with one detachable warrant, ten of which will entitle to subscription for one B share of the Company for five years at a fixed price of SKr 700, subject to adjustment in certain events.

Shares of the Company of record as per close of business on April 11, 1983, will have the right to subscribe for one Note for each warrant share held.

In order for shares arising upon conversion of the Company's outstanding 8 per cent Convertible Subordinated U.S. dollar Bonds 1998 ("the Bonds") to entitle to participation in the rights issue, such conversion must become effective not later than April 11, 1983, the record date for the rights issue. The conversion price applicable to the Bonds as from April 12, 1983, may be subject to retrospective adjustment in accordance with Condition 3 (c) (5), (A) of the Bonds. Such adjustment, if any, will be determined at the close of the period of the subscription period with respect to the Notes, April 26 to May 31, 1983, and Bondholders will be given notice during the first week of June 1983 of the conversion price applicable as from April 12, 1983.

Sundsvall, March 23, 1983
The Board of Directors

Granville & Co. Limited

(formerly M. J. H. Nightingale & Co. Limited)

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 5422

78/82	Company	Price	Change	Rate (%)	Accts	Per
142 120	Ass. Ind. Ord. Cols.	134	-	6.6	4.8	7.0
158 117	Ass. Brit. Ind. Cols.	150	-	10.0	6.7	—
74 32	Ass. Ind. Group	63	-	8.1	5.7	18.0
34 32	Ass. Ind. & Trade	63	-	8.1	5.7	18.0
314 197	Borden Hld.	214	-	11.4	3.6	12.1
137 100	CCL 11p Conv. Pref.	137	-	15.7	11.6	—
270 210	Cindco Group	210	-	17.8	8.4	—
83 77	Com. Ind. & Plastics	83	-	5.0	3.4	5.2
83 77	Frank Horvat	63	-	7.1	5.5	6.2
83 77	Frederick Pfeifer	63	-	7.1	5.5	6.2
55 34	George Blot	34	-	5.8	3.5	5.2
102 100	Ind. Ind. & Plastics	78	+ 1	7.3	5.0	12.8
158 100	Ind. Corp. Plastics	78	-	7.3	5.0	12.8
143 100	Jackson Grp.	143	-	7.5	5.2	4.4
203 111	James. Burrough	203	+ 1	8.6	4.6	8.4
203 111	James. Burrough	148	-	20.0	13.8	23.5
83 77	General Banking	77	-	5.0	3.4	5.2
83 77	Entex	77	-	11.4	10.2	5.0
187 112	Day & Currie	112	-	11.4	10.2	5.0
29 21	Unilock Holdings	29	-	25.1	0.4	1.8
65 65	James. Alexander	65	-	8.8	5.8	4.7
270 214	W. S. Yasuda	270	-	17.1	8.2	5.6

Prices + new available on Prestel 0898 48140

UK COMPANY NEWS

BIDS AND DEALS

APPOINTMENTS

Slide into loss at Rolls-Royce

AERO ENGINE manufacturer Rolls-Royce slumped from recordable profits of £15m to losses of £21m in 1982, after a £22m surge in research and development costs to £131m, and interest charges of £47m, against net cash flow of £17m, against the last time turnover of this state-owned company was £124m ahead from £14.4m to £14.9m.

Net losses emerged at £12.6m — compared with £5m — following tax of £4m, minority interests of £1m and net restructuring costs of £38m (£17m).

Lord McFadzean, chairman, said the recovery in the U.S. economy, and the introduction of advanced manufacturing systems and methods in all the company's factories for the second half of 1982 did not materialise and Western Europe remained depressed. With few orders being placed for new civil equipment, and with surplus aircraft overhanging the market, the short-term outlook for aerospace industry continues to deteriorate.

While the longer-established engines, such as the Spey, the Dart, the Viper and the Adour, remain substantial and profitable businesses, as do the Pegasus and RB219, Rolls-Royce was geared up to produce, in the early 80s, more than 300 large fan engines of the RB211 type each year.

Estimates have been progressively revised downwards, and the latest forecast is that less than a quarter of this figure will be produced in 1983.

The lack of demand for large civil engines, a lower than expected requirement for spares, reducing inventories and shorter manufacturing lead times, produced a sharp reduction in work load in 1982. There was a consequential fall in employment, a significant cut in orders of suppliers, and the need for additional provision of £32m against inventories in excess of normal scheduled requirements.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); registered unemployment (including self-employed leavers) and unfilled vacancies (000s). All are seasonally adjusted.

	Ind.	Mfg.	Eng.	Retail	Recd.	Unem-	Vacs
	prod.	output	order	order	order	ployed	
1982							
1st qtr.	106.7	89.3	90	106.5	141.2	2,679	112
2nd qtr.	101.1	88.9	89	106.8	145.1	2,743	107
3rd qtr.	101.4	88.0	84	106.9	145.2	2,837	111
4th qtr.	101.4	87.2	87	110.7	144.5	2,912	115
May	101.4	89.5	85	106.9	146.9	2,740	107
June	100.3	88.1	76	107.2	144.6	2,773	105
July	100.1	88.2	82	107.0	144.6	2,814	106
August	101.3	91.2	84	106.4	145.9	2,816	114
September	101.6	88.0	85	106.2	145.9	2,866	107
October	101.5	87.4	82	106.3	145.6	2,888	114
November	100.3	86.6	83	110.6	147.5	2,906	114
December	102.2	87.5	86	112.2	145.5	2,949	118
1983							
January	102.4	88.8	110.1	154.7	2,983	122	
February			118.5	3,000			

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels), engineering output, metal manufacturing, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer	Invest.	Ind.	Eng.	Metal	Textile	Hous-	starts*
	Starts*	Ind.	Prod.	output	goods	min.	etc.	starts*
1982								
1st qtr.	92.4	90.7	121.2	86.1	81.3	74.3	14.7	
2nd qtr.	91.9	91.4	122.6	86.4	75.8	72.7	12.0	
3rd qtr.	81.3	90.2	122.7	85.7	72.5	70.7	17.1	
4th qtr.	92.2	88.6	122.8	84.9	80.9	71.8	15.8	
May	92.0	91.0	123.0	86.0	81.0	74.0	15.6	
June	93.0	91.0	123.0	86.0	81.0	74.0	15.6	
July	91.9	90.0	122.0	86.0	72.0	65.0	15.7	
August	92.0	90.0	122.0	86.0	72.0	73.0	15.9	
September	92.0	89.0	122.0	86.0	72.0	72.0	15.9	
October	91.0	88.0	122.0	85.0	71.0	72.0	15.7	
November	91.0	88.0	122.0	85.0	67.0	69.0	17.3	
December	93.0	88.0	122.0	86.0	70.0	72.0	15.3	
1983								
January	94.0	91.0	123.0	86.0	75.0	71.0	15.3	
February			118.5	3,000				

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance, current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export	Import	Visible	Current	Oil	Terms	Revol-
	volume	volume	balance	balance	balance	balance	ue
1982							
1st qtr.	127.5	125.5	+233	+589	698	161.2	18.97
2nd qtr.	131.4	130.2	+232	+583	688	161.2	18.78
3rd qtr.	128.1	127.7	+232	+587	725	170	17.1
4th qtr.	131.4	131.6	+232	+587	725	170	18.28
May	133.5	131.6	+172	+587	725	170	18.28
June	131.5	131.5	+172	+587	725	170	18.28
July	129.5	129.5	+172	+587	725	170	18.28
August	129.5	129.5	+172	+587	725	170	18.28
September	129.5	129.5	+172	+587	725	170	18.28
October	129.5	129.5	+172	+587	725	170	18.28
November	129.5	129.5	+172	+587	725	170	18.28
December	129.5	129.5	+172	+587	725	170	18.28
1983							
January	121.0	124.3	-491	-311	510	92.8	16.85
February	131.0	135.2	+138	+42	564	291	16.85

FINANCIAL—Money supply M1 and sterling M3, bank advances in starting to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	Bank	M1	M3	advances	DCE	BS	HP	MLR
		%	%	%	£m	£m	£m	£m
1982								
1st qtr.	92.4	90.7	121.2	86.1	81.3	74.3	14.7	
2nd qtr.	91.9	91.4	122.6	86.4	75.8	72.7	12.0	
3rd qtr.	81.3	90.2	122.7	85.7	72.5	70.7	17.1	
4th qtr.	92.2	88.6	122.8	84.9	80.9	71.8	15.8	
May	92.0	91.0	123.0	86.0	81.0	74.0	15.6	
June	93.0	91.0	123.0	86.0	81.0	74.0	15.6	
July	91.9	90.0	122.0	86.0	72.0	65.0	15.7	
August	92.0	90.0	122.0	86.0	72.0	73.0	15.9	
September	92.0	89.0	122.0	86.0	72.0	73.0	15.9	
October	91.0	88.0	122.0	85.0	67.0	69.0	17.3	
November	91.0	88.0	122.0	85.0	67.0	70.0	17.3	
December	93.0	88.0	122.0	86.0	70.0	72.0	15.3	
1983								
January	94.0	91.0	123.0	86.0	75.0	71.0	15.3	
February			118.5	3,000				

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products and food prices (1974=100); FDI (1975=100); retail prices and food prices (1974=100); commodity index (July 1982=100); trade weighted value of sterling (1975=100).

	Basic	Wheal.	FT*
	Basic	Wheal.	FT

<tbl_r cells="4" ix="

AUTHORISED UNIT TRUSTS

Admiral Multi-Tsf. Mngrs. (a)

1.3 St Paul's, Chichester EC4P 4DK 01 236 1633

High Income

Gilt & Fixed Int.

High Income Fund

Capital Growth

American Growth

Income & Growth

General

UK Growth

Acc. Fund

Worldwide Bond

Int'l Fund

Equity Prop.

Artisan Income

1. Worship St. EC2

American Tech Fund

Int'l Fund

Pacific Fund

Specialist Fund

Corporate Bond

Artisan Multi-Tsf. Deposit Rate

Artisan Multi-Tsf. Deposit Rate

Unauthorised Unit Deposit Scheme

Admiral Harvey & Ross Unit Tsf. Mngrs.

1. King St. EC2 01-2323 6314

AKT Gilt Fund

10000

Allied Managers Ltd. (a) (g)

Hansard Multi-Int'l. Investment Fund

Growth & Income Fund

Balanced Funds

Brewers Shipping & Co. Ltd. (a) (g)

Fidelity International Management Ltd.

American Fund

Gilt & Fixed Int.

Growth & Income

Corporate Bond

Growth Income

High Income Fund

Investment Fund

Gilt & Fixed Int.

Gilt & Income Fund

SECTION III - INTERNATIONAL MARKETS

FINANCIAL TIMES

Thursday March 31 1983

Crude oil futures
markets get
under way, Page 35

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WALL STREET

Divergent response to indicators

A DOWNWARD move in credit market yields during the first hour of Wall Street trading was reversed following a sharp increase in the Federal Funds rate and the announcement of a sharp rise in the Commerce Department's leading economic indicators for February, writes Terry Byland in New York.

The share market was encouraged by the continued growth in the U.S. economy and at the close the Dow Jones Industrial average was up 12.10 at 1143.29. Trading, however, remained moderate.

The Government bond markets showed a more relaxed view of interest rates in the absence of any moves by the Federal Reserve in the wake of this week's meeting of its Open Market committee.

Also helping the credit market at first was the belief that the economic rebound in the U.S. might be losing a little of its vigour - sales of single family houses fell 5.9 per cent in February. But the mood changed following the news of the rise in February's economic indicators, which was larger than expected, and by a jump in the Federal Funds rate to 9%

The discount rate on the six month Treasury bill recovered from an early fall and moved up to 8.66 per cent. Three month bills, two basic points lower at one time, edged higher at 8.63 per cent.

The benchmark long bond, the Treasury 10 per cent of 2012, at 97.7% was a touch lower on the day after rising initially to 97.7%.

Share prices rallied from their three-day run of falls but buying was highly selective. The news of continued growth in the economy again focussed attention on the high technology sectors considered likely to lead the way forward.

It was confirmed towards the close that a block of 5.4m shares in RCA had been traded at \$23.4, half a point under the market price. The deal, worth \$127.5m, was the largest in terms of value ever recorded on the New York stock exchange. The market believed the block had been sold by Allied Corporation which acquired 5m RCA shares in its takeover of Bendix.

Chrysler continued to trade busily in the wake of the successful placing on Tuesday of 26m shares. At \$16.9 in yesterday's market, the stock was changing hands above the issue level and underlying support was indicated by a block deal, also at \$16.9.

Airlines stocks looked mixed on reports of an agreement to end price discounting, which has been the bane of industry profits. Pan American, believed to be unwilling to participate in the new agreement, languished at 85%, unchanged from overnight.

Shares in Paradyne picked up by 5%

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LEADERSHIP of the continuing Tokyo advance passed yesterday to second-line industrials and speculatives, although blue chips received some late impetus from confirmation that the Japanese Government would next week put forward a nine-point package to stimulate the economy.

Monetary policy is expected to be eased and advantage taken of lower world oil prices. An immediate cut in the official discount rate is by no means assured, however, after Mr Haruo Makawa, governor of the Bank of Japan, reiterated that the yen remains unstable and undervalued against the dollar.

A Daiwa Securities analyst said some consolidation in the market might begin to set in but, with interest centred on bargain issues which would benefit from cheaper oil, he did not expect any severe downward correction.

Dealers noted that some of the activity might reflect an artificial attempt to keep share prices high until the end of the fiscal year today - also the business year-end for many concerns, which would thus be able to show a high value of holdings in balance sheets.

The Nikkei-Dow Jones market average moved up a further 22.48 to a new high of 8,446.61, its seventh record close in nine trading sessions. Turnover was a busy 500m shares compared with Tuesday's 410m, and the stock exchange index added 1.25 to 618.29.

Keisei Electric Railway, a speculators' favourite, picked up an active Y1 to Y45. Other major gainers were Mitsubishi and Co, ahead Y18 to Y412 also in active dealings; Fuji Photo Film, up Y30 to Y1,770; and Daiwa Securities, Y23 stronger at Y491.

The recently favoured Nippon Express was again volume leader, on 34,48m shares, but slipped Y1 to Y217.

Foreign interest was identified in Citizen Watch, which touched a record Y389 before returning to Y380, up at net Y3.

Government bond prices continued their cautious decline as the yen failed substantially to improve.

The long-awaited string of 1982 corporate results came after the Hong Kong close, and prices finished quietly steady on sporadic local buying. The Hang Seng index wound up the half-day mid-week session 2.98 to the good at 982.54.

Of the major companies reporting, the biggest move was shown by Jardine Matheson, up 30 cents to HK\$13.90 in anticipation of its relatively strong outcome.

Hongkong Land, with which it maintains cross-holdings of about 40 per cent, plunged into loss after large-scale write-downs on projects likely to be abandoned. Its stock held steady ahead of the news at HK\$4.17.

Great Eagle, yet another on the results list, shed four cents to 54 cents after news of a loss by Regal Hotels, its subsidiary, which itself was four cents lower at 29 cents.

A late buying surge in Singapore was triggered in part by a 27 per cent devaluation of the Indonesian rupiah, which prompted a move of Indonesian funds into the market. The Straits Times industrial index was 11.83 ahead at 851.01.

Properties were higher, with gains of 25 cents for Selangor at SS5.55 and 10 cents for UOL at SS3.40. Banks also did well, particularly Malayan Banking which added 30 cents to SS7.45.

LONDON COMMODITY MARKETS

A FIRMER undertone developed among leading Johannesburg industries as Mr Owen Horwood, the Finance Minister, began to unveil his budget proposals amid healthy February trade figures.

Golds attracted strong demand as the bullion price strengthened, and gains ranged to R2.50 for Buffels, at R3. In mining financials, Anglo-American added 40 cents to R2.40, Angoid 50 cents to R1.19 and De Beers 25 cents to R2.50.

Elsewhere, Rennies and Unisec improved 10 cents apiece to R5 and R4.50 respectively. Banks were favoured.

EUROPE

Downturn difficult to shake off

MANY of the hours closed firmer yesterday after the previous day's heavy profit-taking, but the depressing influence of Tuesday's downturn on Wall Street held sway in some centres. Trading was for the most part very light ahead of the Easter holiday.

Banks, which had sustained some of the heaviest losses in Frankfurt a day earlier, led a rally of blue chip issues. Deutsche Bank, which had shed DM 8.90 on Tuesday, partly on disappointment at its modest DM 1 dividend increase, regained DM 7.90 to close at DM 321 after announcing a 30 per cent jump in operating earnings.

Hopes of an increased dividend lifted BHF Bank DM 9.50 to DM 274.70, but gains by Dresdner and Commerzbank were more modest.

Most industry sectors featured in a broad upswing fuelled by optimism over U.S. interest rates and a weaker dollar, and bargain hunting by foreign investors at the lower levels gave an added boost.

In metals, Metallgesellschaft put on DM 4 to DM 234 ahead of the announcement of heavy losses for 1982 and despite its decision to pay no dividend. Degussa rose 4.5 to DM 262.5 on a forecast of higher sales this year.

Domestic bond prices finished mainly higher. The Bundesbank sold DM 14.6m of public paper, after having to buy DM 68.2m the previous day.

In Amsterdam, a modest recovery in the afternoon was not enough to make up for a weak opening, in which many stocks extended the losses they had suffered in the previous two days.

Both domestic and foreign stocks turned lower in a quiet Brussels market. Holding companies declined further, with Société Générale dropping BFr 65 to BFr 1,580 after announcing an unchanged dividend and a turnaround to unspecified profits in 1982.

Profit-taking negated early rises in Paris where Wall Street's weakness was

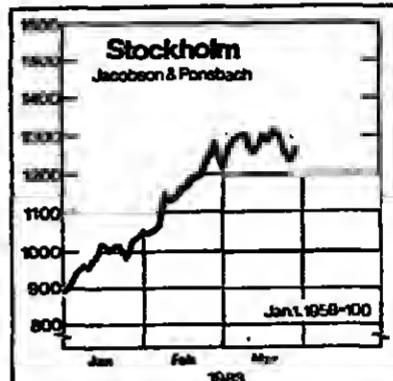
the major factor in hesitant trading. Metals were the biggest losers while banks, foods, construction, electricals and oils posted modest gains.

Renewed optimism over interest rates left prices firmer after heavy trading in Zurich. Leading the rally were banks and recently neglected blue chip stocks, according to dealers.

Expectations that the Italian Banking Association would cut its recommended prime rate by half a point to 19.5 per cent had little effect in Milan. But prices closed generally higher in active trading.

Prices continued to recover strongly in moderate trading in Stockholm. Major gainers were Asea, up SKr 15 to SKr 550, and Volvo, which put on SKr 12 at SKr 400.

Prices were mixed in thin trading in Madrid, where small rises in bank stocks and for the monopoly, Telefónica, were features.



AUSTRALIA

Mines sought

RENEWED investment demand emerged for leading Sydney mining issues as commodity prices firmed, providing a higher finish in moderately active trading, although advances kept on a slender overall edge on declines.

BHP rose 20 cents to A\$8.04 and MIM 10 cents to A\$4.15.

Bid activity dominated the industrials. Retailer Grace Bros added 15 cents to A\$3.65 ahead of a Bond Holdings offer at an effective A\$4.06. Bond was unchanged at A\$1.01.

Golds held steady in Melbourne on subdued turnover.

LONDON

Credit anxieties cooled

A LESSENING of pressure for an increase in bank lending rates - which came as short-term money market rates turned down yesterday - was an important, but not the only, reason encouraging revived London investment in government stocks.

Other major influences included comments by Mr Donald Regan, the U.S. Treasury Secretary, cooling recent anxieties about rates there and the Federal Reserve's monetary policy, coupled with sterling's improved trend yesterday after the long awaited announcement of BNOC's price proposals.

Gilt-edged securities rose throughout the session and longer-dated issues had gains stretching to over a point. Demand was sufficient in the existing thin conditions to warrant the better tone.

Equity markets were in no mood to respond to the receding possibility of base rate rises after sentiment had been dampened within minutes of the opening bell by Bowater's announcement of a surprise dividend cut and poor results.

In the wake of Bowater, down to 145p before recovering strongly to 163p for a net fall of 8p, leading shares slipped lower.

The FT Industrial Ordinary share index closed 1.1 off at 851.0, the session's best.

Standard Chartered's surprise £101m proposed rights issue depressed the shares to 450p before a close of 24p down at 438p. The announcement undermined sentiment in the major clearing banks. Natwest fell 13p to 552p and Barclays 10p to 450p, as did Lloyds to 480p, while Midland ended 8p off at 362p.

A South African budget that was largely regarded as neutral to mildly bullish, prompted strong gains throughout South African mining issues.

London financials were unsettled by initial losses in UK equities but regained their poise. Share information service, pages 36-37

FOREX COMPUTEL

... the dollar opened slightly higher than NY's closing and is currently trading ...

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INTERNATIONAL FINANCIAL MARKETS REPORT

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

WORLD GOLD

in 1993 & 1994

The fifth FT Gold conference to be held in Lugano, Switzerland on 22 and 23 June 1983 will stress the market production and investment outlook. The silver market and gold-silver price relationships together with monetary questions will also be analyzed.

questions will also be analysed. Robert Guy of Rothschilds will chair the first day and give the Opening Address. The speaker platform will be as authoritative as at previous meetings in this well-reputed series.

1. *Scutellaria*.

For further details please contact:

www.ijerpi.org

TELE: LONDON 22367 ETCOME 6

Continued on Page 3

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 3

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual requirements based on

noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. f-dividend in Canadian funds, subject to 15% non-residence tax. g-dividend declared after split-up or stock dividend. i-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading, nd-next day delivery. P-E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begins with date of split. sl-sales t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high v-trading halted. w-in bankruptcy or receivership or being re-organised under the Bankruptcy Act, or securities assumed by such companies. ws-within distributed. ww-when issued. wr-with warrants. x-ex-dividend or ex-rights xds-ex-distribution. xe-without warrants. y-ex-dividend and sales in full, yd-yield.

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BRITISH FUNDS

Stock	Price	Yield	Yield
"Shorts" (Lives up to Five Years)			
Treasury Gilt 1983	99.95	10.43	10.43
Treasury Gilt 1984	102.50	10.73	10.73
Treasury Gilt 1985	101.15	10.73	10.73
Treasury Gilt 1986	101.75	10.73	10.73
Treasury Gilt 1987	102.25	10.73	10.73
Treasury Gilt 1988	102.75	10.73	10.73
Treasury Gilt 1989	103.25	10.73	10.73
Treasury Gilt 1990	103.75	10.73	10.73
Treasury Gilt 1991	104.25	10.73	10.73
Treasury Gilt 1992	104.75	10.73	10.73
Treasury Gilt 1993	105.25	10.73	10.73
Treasury Gilt 1994	105.75	10.73	10.73
Treasury Gilt 1995	106.25	10.73	10.73
Treasury Gilt 1996	106.75	10.73	10.73
Treasury Gilt 1997	107.25	10.73	10.73
Treasury Gilt 1998	107.75	10.73	10.73
Treasury Gilt 1999	108.25	10.73	10.73
Treasury Gilt 1985-99	100.25	10.73	10.73
Treasury Gilt 1986-99	100.75	10.73	10.73
Treasury Gilt 1987-99	101.25	10.73	10.73
Treasury Gilt 1988-99	101.75	10.73	10.73
Treasury Gilt 1989-99	102.25	10.73	10.73
Treasury Gilt 1990-99	102.75	10.73	10.73
Treasury Gilt 1991-99	103.25	10.73	10.73
Treasury Gilt 1992-99	103.75	10.73	10.73
Treasury Gilt 1993-99	104.25	10.73	10.73
Treasury Gilt 1994-99	104.75	10.73	10.73
Treasury Gilt 1995-99	105.25	10.73	10.73
Treasury Gilt 1996-99	105.75	10.73	10.73
Treasury Gilt 1997-99	106.25	10.73	10.73
Treasury Gilt 1998-99	106.75	10.73	10.73
Treasury Gilt 1999-99	107.25	10.73	10.73
Five to Fifteen Years			
Treasury Gilt 1999-2000	101.15	11.26	11.26
Treasury Gilt 1999-2001	101.75	11.26	11.26
Treasury Gilt 1999-2002	102.25	11.26	11.26
Treasury Gilt 1999-2003	102.75	11.26	11.26
Treasury Gilt 1999-2004	103.25	11.26	11.26
Treasury Gilt 1999-2005	103.75	11.26	11.26
Treasury Gilt 1999-2006	104.25	11.26	11.26
Treasury Gilt 1999-2007	104.75	11.26	11.26
Treasury Gilt 1999-2008	105.25	11.26	11.26
Treasury Gilt 1999-2009	105.75	11.26	11.26
Treasury Gilt 1999-2010	106.25	11.26	11.26
Treasury Gilt 1999-2011	106.75	11.26	11.26
Treasury Gilt 1999-2012	107.25	11.26	11.26
Treasury Gilt 1999-2013	107.75	11.26	11.26
Treasury Gilt 1999-2014	108.25	11.26	11.26
Treasury Gilt 1999-2015	108.75	11.26	11.26
Treasury Gilt 1999-2016	109.25	11.26	11.26
Treasury Gilt 1999-2017	109.75	11.26	11.26
Treasury Gilt 1999-2018	110.25	11.26	11.26
Treasury Gilt 1999-2019	110.75	11.26	11.26
Treasury Gilt 1999-2020	111.25	11.26	11.26
Treasury Gilt 1999-2021	111.75	11.26	11.26
Treasury Gilt 1999-2022	112.25	11.26	11.26
Treasury Gilt 1999-2023	112.75	11.26	11.26
Treasury Gilt 1999-2024	113.25	11.26	11.26
Treasury Gilt 1999-2025	113.75	11.26	11.26
Treasury Gilt 1999-2026	114.25	11.26	11.26
Treasury Gilt 1999-2027	114.75	11.26	11.26
Treasury Gilt 1999-2028	115.25	11.26	11.26
Treasury Gilt 1999-2029	115.75	11.26	11.26
Treasury Gilt 1999-2030	116.25	11.26	11.26
Treasury Gilt 1999-2031	116.75	11.26	11.26
Treasury Gilt 1999-2032	117.25	11.26	11.26
Treasury Gilt 1999-2033	117.75	11.26	11.26
Treasury Gilt 1999-2034	118.25	11.26	11.26
Treasury Gilt 1999-2035	118.75	11.26	11.26
Treasury Gilt 1999-2036	119.25	11.26	11.26
Treasury Gilt 1999-2037	119.75	11.26	11.26
Treasury Gilt 1999-2038	120.25	11.26	11.26
Treasury Gilt 1999-2039	120.75	11.26	11.26
Treasury Gilt 1999-2040	121.25	11.26	11.26
Treasury Gilt 1999-2041	121.75	11.26	11.26
Treasury Gilt 1999-2042	122.25	11.26	11.26
Treasury Gilt 1999-2043	122.75	11.26	11.26
Treasury Gilt 1999-2044	123.25	11.26	11.26
Treasury Gilt 1999-2045	123.75	11.26	11.26
Treasury Gilt 1999-2046	124.25	11.26	11.26
Treasury Gilt 1999-2047	124.75	11.26	11.26
Treasury Gilt 1999-2048	125.25	11.26	11.26
Treasury Gilt 1999-2049	125.75	11.26	11.26
Treasury Gilt 1999-2050	126.25	11.26	11.26
Treasury Gilt 1999-2051	126.75	11.26	11.26
Treasury Gilt 1999-2052	127.25	11.26	11.26
Treasury Gilt 1999-2053	127.75	11.26	11.26
Treasury Gilt 1999-2054	128.25	11.26	11.26
Treasury Gilt 1999-2055	128.75	11.26	11.26
Treasury Gilt 1999-2056	129.25	11.26	11.26
Treasury Gilt 1999-2057	129.75	11.26	11.26
Treasury Gilt 1999-2058	130.25	11.26	11.26
Treasury Gilt 1999-2059	130.75	11.26	11.26
Treasury Gilt 1999-2060	131.25	11.26	11.26
Treasury Gilt 1999-2061	131.75	11.26	11.26
Treasury Gilt 1999-2062	132.25	11.26	11.26
Treasury Gilt 1999-2063	132.75	11.26	11.26
Treasury Gilt 1999-2064	133.25	11.26	11.26
Treasury Gilt 1999-2065	133.75	11.26	11.26
Treasury Gilt 1999-2066	134.25	11.26	11.26
Treasury Gilt 1999-2067	134.75	11.26	11.26
Treasury Gilt 1999-2068	135.25	11.26	11.26
Treasury Gilt 1999-2069	135.75	11.26	11.26
Treasury Gilt 1999-2070	136.25	11.26	11.26
Treasury Gilt 1999-2071	136.75	11.26	11.26
Treasury Gilt 1999-2072	137.25	11.26	11.26
Treasury Gilt 1999-2073	137.75	11.26	11.26
Treasury Gilt 1999-2074	138.25	11.26	11.26
Treasury Gilt 1999-2075	138.75	11.26	11.26
Treasury Gilt 1999-2076	139.25	11.26	11.26
Treasury Gilt 1999-2077	139.75	11.26	11.26
Treasury Gilt 1999-2078	140.25	11.26	11.26
Treasury Gilt 1999-2079	140.75	11.26	11.26
Treasury Gilt 1999-2080	141.25	11.26	11.26
Treasury Gilt 1999-2081	141.75	11.26	11.26
Treasury Gilt 1999-2082	142.25	11.26	11.26
Treasury Gilt 1999-2083	142.75	11.26	11.26
Treasury Gilt 1999-2084	143.25	11.26	11.26
Treasury Gilt 1999-2085	143.75	11.26	11.26
Treasury Gilt 1999-2086	144.25	11.26	11.26
Treasury Gilt 1999-2087	144.75	11.26	11.26
Treasury Gilt 1999-2088	145.25	11.26	11.26
Treasury Gilt 1999-2089	145.75	11.26	11.26
Treasury Gilt 1999-2090	146.25	11.26	11.26
Treasury Gilt 1999-2091	146.75	11.26	11.26
Treasury Gilt 1999-2092	147.25	11.26	11.26
Treasury Gilt 1999-2093	147.75	11.26	11.26
Treasury Gilt 1999-2094	148.25	11.26	11.26
Treasury Gilt 1999-2095	148.75	11.26	11.26
Treasury Gilt 1999-2096	149.25	11.26	11.26
Treasury Gilt 1999-2097	149.75	11.26	11.26
Treasury Gilt 1999-2098	150.25	11.26	11.26
Treasury Gilt 1999-2099	150.75	11.26	11.26
Treasury Gilt 1999-2100	151.25	11.26	11.26
Treasury Gilt 1999-2101	151.75	11.26	11.26
Treasury Gilt 1999-2102	152.25	11.26	11.26
Treasury Gilt 1999-			

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MINES—Continued

Central African

Symbol	High	Low	Stock	Price	Yield	Div.	Rel.	W.	PE
Uganda Min. 50	250	230	Uganda Min. 50	250	—	—	—	—	—
Uganda Min. 25	210	190	Uganda Min. 25	210	—	—	—	—	—
Uganda Min. 10	190	170	Uganda Min. 10	190	—	—	—	—	—
Uganda Min. 5	170	150	Uganda Min. 5	170	—	—	—	—	—
Uganda Min. 2	150	130	Uganda Min. 2	150	—	—	—	—	—
Uganda Min. 1	130	110	Uganda Min. 1	130	—	—	—	—	—
Uganda Min. 0.5	110	90	Uganda Min. 0.5	110	—	—	—	—	—
Uganda Min. 0.25	90	70	Uganda Min. 0.25	90	—	—	—	—	—
Uganda Min. 0.1	70	50	Uganda Min. 0.1	70	—	—	—	—	—
Uganda Min. 0.05	50	30	Uganda Min. 0.05	50	—	—	—	—	—
Uganda Min. 0.025	30	20	Uganda Min. 0.025	30	—	—	—	—	—
Uganda Min. 0.01	20	10	Uganda Min. 0.01	20	—	—	—	—	—
Uganda Min. 0.005	10	5	Uganda Min. 0.005	10	—	—	—	—	—
Uganda Min. 0.0025	5	2.5	Uganda Min. 0.0025	5	—	—	—	—	—
Uganda Min. 0.001	2.5	1.25	Uganda Min. 0.001	2.5	—	—	—	—	—
Uganda Min. 0.0005	1.25	0.625	Uganda Min. 0.0005	1.25	—	—	—	—	—
Uganda Min. 0.00025	0.625	0.3125	Uganda Min. 0.00025	0.625	—	—	—	—	—
Uganda Min. 0.0001	0.3125	0.15625	Uganda Min. 0.0001	0.3125	—	—	—	—	—
Uganda Min. 0.00005	0.15625	0.078125	Uganda Min. 0.00005	0.15625	—	—	—	—	—
Uganda Min. 0.000025	0.078125	0.0390625	Uganda Min. 0.000025	0.078125	—	—	—	—	—
Uganda Min. 0.00001	0.0390625	0.01953125	Uganda Min. 0.00001	0.0390625	—	—	—	—	—
Uganda Min. 0.000005	0.01953125	0.009765625	Uganda Min. 0.000005	0.01953125	—	—	—	—	—
Uganda Min. 0.0000025	0.009765625	0.0048828125	Uganda Min. 0.0000025	0.009765625	—	—	—	—	—
Uganda Min. 0.000001	0.0048828125	0.00244140625	Uganda Min. 0.000001	0.0048828125	—	—	—	—	—
Uganda Min. 0.0000005	0.00244140625	0.001220703125	Uganda Min. 0.0000005	0.00244140625	—	—	—	—	—
Uganda Min. 0.00000025	0.001220703125	0.0006103515625	Uganda Min. 0.00000025	0.001220703125	—	—	—	—	—
Uganda Min. 0.0000001	0.0006103515625	0.00030517578125	Uganda Min. 0.0000001	0.0006103515625	—	—	—	—	—
Uganda Min. 0.00000005	0.00030517578125	0.000152587890625	Uganda Min. 0.00000005	0.00030517578125	—	—	—	—	—
Uganda Min. 0.000000025	0.000152587890625	0.0000762939453125	Uganda Min. 0.000000025	0.000152587890625	—	—	—	—	—
Uganda Min. 0.00000001	0.0000762939453125	0.00003814697265625	Uganda Min. 0.00000001	0.0000762939453125	—	—	—	—	—
Uganda Min. 0.000000005	0.00003814697265625	0.000019073486328125	Uganda Min. 0.000000005	0.00003814697265625	—	—	—	—	—
Uganda Min. 0.0000000025	0.000019073486328125	0.0000095367431640625	Uganda Min. 0.0000000025	0.000019073486328125	—	—	—	—	—
Uganda Min. 0.000000001	0.0000095367431640625	0.00000476837158203125	Uganda Min. 0.000000001	0.0000095367431640625	—	—	—	—	—
Uganda Min. 0.0000000005	0.00000476837158203125	0.000002384185791015625	Uganda Min. 0.0000000005	0.00000476837158203125	—	—	—	—	—
Uganda Min. 0.00000000025	0.000002384185791015625	0.0000011920928955078125	Uganda Min. 0.00000000025	0.000002384185791015625	—	—	—	—	—
Uganda Min. 0.0000000001	0.0000011920928955078125	0.00000059604644775390625	Uganda Min. 0.0000000001	0.0000011920928955078125	—	—	—	—	—
Uganda Min. 0.00000000005	0.00000059604644775390625	0.000000298023223877953125	Uganda Min. 0.00000000005	0.00000059604644775390625	—	—	—	—	—
Uganda Min. 0.000000000025	0.000000298023223877953125	0.0000001490116119389765625	Uganda Min. 0.000000000025	0.000000298023223877953125	—	—	—	—	—
Uganda Min. 0.00000000001	0.0000001490116119389765625	0.00000007450580596948828125	Uganda Min. 0.00000000001	0.0000001490116119389765625	—	—	—	—	—
Uganda Min. 0.000000000005	0.00000007450580596948828125	0.000000037252902984744140625	Uganda Min. 0.000000000005	0.00000007450580596948828125	—	—	—	—	—
Uganda Min. 0.0000000000025	0.000000037252902984744140625	0.000000018626451492222078125	Uganda Min. 0.0000000000025	0.000000037252902984744140625	—	—	—	—	—
Uganda Min. 0.000000000001	0.000000018626451492222078125	0.000000009313225746111039375	Uganda Min. 0.000000000001	0.000000018626451492222078125	—	—	—	—	—
Uganda Min. 0.0000000000005	0.000000009313225746111039375	0.000000004656612873055519688	Uganda Min. 0.0000000000005	0.000000009313225746111039375	—	—	—	—	—
Uganda Min. 0.00000000000025	0.000000004656612873055519688	0.00000000232830643652775984	Uganda Min. 0.00000000000025	0.000000004656612873055519688	—	—	—	—	—
Uganda Min. 0.0000000000001	0.00000000232830643652775984	0.00000000116415321826387992	Uganda Min. 0.0000000000001	0.00000000232830643652775984	—	—	—	—	—
Uganda Min. 0.00000000000005	0.00000000116415321826387992	0.0000000005820766091319496	Uganda Min. 0.00000000000005	0.0000000005820766091319496	—	—	—	—	—
Uganda Min. 0.000000000000025	0.0000000005820766091319496	0.0000000002910383045659748	Uganda Min. 0.000000000000025	0.0000000005820766091319496	—	—	—	—	—
Uganda Min. 0.00000000000001	0.0000000002910383045659748	0.0000000001455091522829874	Uganda Min. 0.00000000000001	0.0000000005820766091319496	—	—	—	—	—
Uganda Min. 0.000000000000005	0.0000000001455091522829874	0.0000000000727545761414937	Uganda Min. 0.000000000000005	0.0000000001455091522829874	—	—	—	—	—
Uganda Min. 0.0000000000000025	0.0000000000727545761414937	0.0000000000363772880707474	Uganda Min. 0.0000000000000025	0.0000000000727545761414937	—	—	—	—	—
Uganda Min. 0.000000000000001	0.0000000000363772880707474	0.0000000000181886440353737	Uganda Min. 0.000000000000001	0.0000000000363772880707474	—	—	—	—	—
Uganda Min. 0.0000000000000005	0.0000000000181886440353737	0.0000000000090943220176868	Uganda Min. 0.0000000000000005	0.000000					

